PART IV.

THIRD REPORT.

MINUTES OF EVIDENCE

TAKEN BEFORE

THE SELECT COMMITTEES

OF

THE HOUSE OF COMMONS,

APPOINTED TO ENQUIRE INTO

THE PRESENT STATE OF THE AFFAIRS

OF

THE EAST-INDIA COMPANY,

AND INTO THE

TRADE BETWEEN GREAT BRITAIN, THE EAST-INDIES, AND CHINA,

AND TO REPORT TO THE HOUSE.

LONDON:
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MINUTES OF EVIDENCE.

Lunæ, 22° *die Martii* 1830.

Martis, 23° *die Martii* 1830.

Jovis, 25° *die Martii* 1830.

Lunæ, 29° *die Martii* 1830.

Martis, 30° *die Martii* 1830.

Jovis, 1° *die Aprilis*, 1830.

MINUTES OF EVIDENCE.

Lunæ, 5° die Aprilis, 1830.

MINUTES OF EVIDENCE.

MINUTES OF EVIDENCE.

Lunæ, 17° *die Maij* 1830.

Jovis, 20° *die Maij* 1830.

Lunæ, 24° *die Maij* 1830.

Jovis, 3° *die Junij* 1830.

THIRD REPORT.

THE SELECT COMMITTEE appointed to inquire into the Present State of the AFFAIRS OF THE EAST-INDIA COMPANY, and into the TRADE between *Great Britain*, the *East-Indies*, and *China;* and to report their Observations thereupon to the House; and who were empowered to report the MINUTES OF THE EVIDENCE taken before them from time to time, to the House;—

HAVE made a further Progress in the Matters to them referred, and examined several other Witnesses; the MINUTES of whose EVIDENCE they have agreed to report to the House up to the 1st day of this instant April, inclusive.

1*st April* 1830.

MINUTES OF EVIDENCE.

Lunæ, 22° *die Martii* 1830.

WILLIAM WARD, Esq. in the Chair.

THOMAS THORNELY, Esq. called in, and examined.

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T. Thornely, Esq.

3405*a*. You are a merchant at Liverpool?—I am.

3406*a*. Have you made it your business to inquire into the means of drawing bills from China upon houses of good credit in England?—I have the authority of a gentleman of great respectability, a merchant, who has lived in Canton for many years, to say, that bills upon London on confirmed credits may be negociated there with great facility, and to almost any extent.

3407*a*. At what rate of exchange?—Equal to 5*s*. 6*d*. and two-thirds of a penny the tale, and payable at six months' sight.

3408*a*. Who is the merchant from whom you received that information?—The gentleman who gave me this information is an American; he gave it to me as a matter of personal kindness, and I would rather not mention his name.

3409*a*. Is he a person that has resided long at Canton?—He has resided at Canton twenty-five years.

3410*a*. Did he carry on extensive business?—Very extensive business.

3411*a*. Do you happen to know whether the American merchant, to whom you refer, drew bills upon London?—I do not think it was so stated to me.

3412*a*. Have you any communication in writing from this gentleman, stating this fact, and the course of exchange?—I have such a communication.

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3413*a*. Have you any objection to give in that communication to the Committee, with the understanding that the name of the writer shall not be made public?—I have no objection.

[*The witness delivered in the same, which was read, as follows:*]

"THE Chinese have no coin except *chrx* or *cash*, which are a brass coin, 1,000 of which make a tale. Their accounts are kept in tales, mace, candareens, and cash.

10 cash, 1 candareen; 10 candareens, 1 mace; 10 mace, 1 tale.

72 candareens make a Spanish dollar, and the exchange between China and England is, and will probably continue to be, 4*s.* per dollar.

"£100 sterling would consequently be 360 tales, or 500 Spanish dollars. A tale 5*s.* 6⅔*d.*

"My dear Sir: Above, you have a memorandum of the imaginary coin of the Chinese; they have no real coin except the cash as above-mentioned. You will perceive that the value of the tale is 5*s.* 6⅔*d.* as near as may be, at the usual rate of exchange between China and England.

"I am, my dear Sir, your very obedient,

"To T. Thornely, Esq. "———"

"March 16, 1830."

3414*a*. Do you know at what course of exchange the tale is estimated by the East-India Company?—At 5*s.* 8*d.* I understand.

3415*a*. Supposing the exchange to be really 5*s.* 6*d.* and two-thirds, comparing that with the course at which it is estimated by the Company in prime cost for their teas, what would be the difference upon the purchases of the last ten years?—The difference would be precisely one-sixth. You must deduct from the public accounts of the Company, to bring it to the current exchange, one-sixth of the amount of purchases of tea I have mentioned.

3416*a*. Have you made any calculation of what the amount of that deduction would be?—That deduction would be £3,039,351.

3417*a*. From what document do you take the quantity of tea sold by the Company for the last ten years?—From the Parliamentary returns.

3418*a*. From what document did you take the prime cost of the tea?—From the Parliamentary returns, the whole of it.

3419*a*. Have you prepared a statement, founded upon the information procured from the Parliamentary returns, and the estimated rate of exchange by the Company?—I have; and I believe it to be as nearly correct as it can be.

3420*a*. Have the goodness to deliver in that document.

[*The witness delivered in the same, which was read, as follows:*]

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T. Thornely, Esq.

A STATEMENT, intended to show the Loss to the Country in the Price of Tea arising out of the East-India Company's Monopoly.

The quantities imported and sold, for consumption, together with the prime cost and sale amount, are extracted from documents presented by the Company to Parliament.

Tea exported from Canton from 1818-19 to 1827-8, 285,095,127 lbs. cost..........	£18,236,106
Deduct one-sixth, because the tale of China is estimated at 6s. 8d. by the Company, whereas it is only 5s. 6⅔d....	3,039,351
Total............	£15,196,755

Average cost price, 12d. ·80 per lb.

Sales of tea in England from 1819-20 to 1828-9, 265,456,040 lbs., amount £35,462,245. Average sale price, 32d. ·06 per lb.

Freight from Canton to England, taken at £11 per register tón. A ship of 500 tons will carry 550 tons of tea of the Company's tonnage of 10 cwt. each, say 616,000 lbs.; 500 tons register, at £11 per ton freight, makes £5,500.

If 616,000 lbs. cost £5,500, then 1 lb. costs 2d. ·14.

			d.
Prime cost of 1 lb. tea per statement....................			12 ·80
Insurance from Canton....................	3	per cent.	
Agency at Canton....................	3	—	
Charges of landing in England............	3	—	
Supposed profit..........................	10	—	
In all......	19	—	2 ·43
Freight, per statement..................................			2 ·14
Cost price per lb. landed in England........			17 ·37

	d.
The Company's actual average sale price of tea in the last ten years has been, per lb..........................	32 ·06
The price, with ample allowance of profit, as shown above, need not have exceeded..........................	17 ·37
Leaving a loss to the country per lb. of........	14 ·69

Which on the quantity of tea consumed in 1828-9, viz. on 28,230,383 lbs., at 14d. ·69, makes an annual tax upon the country of £1,727,934.

ROBERT RICKARDS, Esq. called in, and examined.

R. Rickards, Esq.

3421a. WILL you state to the Committee how long you have resided in India, at what time, and when you returned from that country?—I have resided in India about twenty-three or twenty-four years: I returned in the year 1811. I was on the Bombay establishment.

3422a. Have you, since your return from Bombay, been employed as an Indian agent in London?—I have.

3423a. Have you had opportunities, whilst in India and in England, of making yourself acquainted with the trade between England and India and China?—Generally speaking, I have. I

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never was engaged in trade whilst in India, being in the Company's civil service; but I had opportunities of seeing a good deal of what passed in the trade between India and China, and I have had correspondence with China since I have been in this country.

3424*a*. Have you had any commercial transactions with China since you have been in England?—The house that I belong to corresponds with a house in China, and we have received, as agents, consignments from that house, and carried on a regular correspondence with them.

3425*a*. What is the name of the house?—The name of our house is Rickards, Mackintosh, and Company. The house we correspond with in China is Thomas Dent and Company.

3426*a*. Have you not, since 1812, paid particular attention to the financial details of the commerce with India, as published by Parliament?—I have always felt a great interest in respect to the financial concerns of India; and when I was in Parliament in the year 1812-13, I had an opportunity then, for the first time, of analyzing the East-India Company's accounts which were laid before Parliament; and from those accounts I derived a knowledge of the state of their finances, which I could not obtain from the limited view I had of their accounts all the time I was in India.

3427*a*. Do you include the trade with India in that attention which you paid to their financial details?—I do, with India and China.

3428*a*. What opinion generally have you formed of the result of the tea trade carried on by the Company with China?—I formed a decided opinion in the year 1813, that the received notion at that time, of the profits of the Company's China trade being their only means of paying their dividends and interest upon their home bond debt, was altogether erroneous. I was then firmly convinced, and I gave my reasons for the conviction, that on a fair mercantile statement of their commercial operations, the profits, if any, would be found altogether insufficient to pay their dividends in this country; and from the papers which have been printed and laid before the public since that period, I am still further confirmed in that belief.

3429*a*. Do you include the trade to China, as well as the trade to India, in that opinion?—I include in this opinion the trade to China more particularly, because it is now pretty generally asserted and believed to be the only source of commercial profit.

3430*a*. Are the Committee to understand that in the number of years which have elapsed since 1812, all the documents that have come to your knowledge have confirmed your opinion

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that the trade to China has not been the means of paying the dividends, as is generally supposed?—Certainly.

3431a. Are you able to state to the Committee the grounds on which your opinion was then formed, and on which you now continue to hold it?—For the opinion I then formed, I must beg leave to refer to a publication of mine in the year 1813, in which I have stated that opinion at full length, together with the grounds of it. Having subsequently had an opportunity of inspecting the printed accounts which have been laid before Parliament for the years 1820 and 1821, I framed from that collection a statement, which I intended for the continuation of a publication I am now engaged in about India, and which statement I have now before me. It is at the service of the Committee, and will show the grounds of my present belief.

3432a. Is that calculation taken from the documents presented by His Majesty's command, dated February 1830?—The whole of it, and every thing I have asserted with regard to India, is taken from official documents; I look upon no other source of information to be worth a farthing. The statement I hold in my hand is taken from the official documents laid before Parliament on the 4th of June 1829, and the 14th of May 1824, as well as from the collection of documents presented by His Majesty's command in February 1830.

3433a. Will you state to the Committee the result arising from that statement, and the items which enable you to come to that result?—This statement is for the year 1820-21. I have taken that year, because it is the latest for which all the charges on the China trade are printed or published; at least, I have seen no other document containing all these charges subsequent to that year. I believe, however, from an examination of the official tables here referred to, that the result would be pretty nearly the same for either of the preceeding or succeeding years; but I have been obliged to confine myself to 1820-21, because I could find no other official document except that delivered in on the 14th of May 1824: that contains a complete view of all the Company's charges on the China trade.

3434a. Where does that document appear which was published in 1824?—It is before the House of Commons, and is an official document. It is styled, "Accounts relating to the Tea Trade, &c. of the East-India Company," dated the 14th of May 1824; and bears the signature of T. G. Lloyd, the Accountant-General at the India-House.

3435a. Will you state what appears to be the result in the year 1820-1?—[*Witness delivers in the following statement, which is accordingly read to the Committee.*]

STATEMENT, to show the apparent Deficiency of Means to pay Interest on Bond Debt and Dividends out of the Profits of the China Trade; prepared from Official Documents for the year 1820–21.

	£.		£.
Prime cost of teas, as per No. 32 of "Papers relative to the Trade with India and China," 4th June 1829	1,874,840	Sale amount in 1821–2, as per No. 33 of "Papers, &c." 4th June 1829	3,566,642
Freight and Demurrage, as per No. 31 of ditto ditto	796,540	Balance or deficiency, after paying interest on bond-debts and dividends, both which are, by the Act 53 Geo. III., sect. 57, chargeable on "Commercial Profits"	518,776
Charges in China and England, as per No. 6 of "Accounts relating to the Tea Trade, &c. of the East-India Company," 14th May 1824	618,849*		
Interest on home bond-debt, as per No. 21 of "Papers relating to the Finances of India, and Trade of India and China," Feb. 1830	162,938		
Dividends on stock, as per ditto of ditto.... ditto	632,251		
	£4,085,418		£4,085,418

* The charges included in this sum are stated in the official account referred to under the following heads, *viz*.

Salaries, emoluments, &c. in 1820-1	£95,653
Expenses in China	51,735
Ditto in England	173,520
Interest	236,287
Insurance	58,654
	£618,849

N. B.—The deficiency above stated is exclusive of avowed loss on the outward trade to Canton, which the Court of Directors and their advocates have alleged to have been carried on to their own detriment for the benefit of British manufacturers. This loss is stated, in the Lords' Report on Trade, 1820-1, page 118, at £1,668,103 for twenty-six years, averaging, therefore, £64,157 per annum.

It is also exclusive of the loss by fire in Canton, in November 1822, which is officially stated to be £380,133; and in which it is probable that goods undisposed of, from the season 1820-21, may have been sacrificed.

There are other items in the accounts referred to which would be brought into a general statement of the whole period of the existing charter, and which render it probable that the annual loss or deficiency for the whole period would not be less than that above stated.

3436*a*. Will you explain for what part of the Company's debt this interest entered by you is charged?—It is the whole interest upon the bond debt in England in the year 1820-21.

3437*a*. No part of the bond-debt in India?—No.

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3438*a*. Why do you include the charge for interest of the bond debt in that account of tea?—By the Act of the 53d of the King, it is, as well as the dividends, expressly chargeable on the commercial profits of the East-India Company; and as the China trade is avowedly the only source of profit to them, as their other branches of trade, including the export trade to India and China, are avowedly attended with loss, I have put both into this statement, according to the provision of the Act of Parliament. Being chargeable on commercial profit, I know not where else to find it. Neither the dividends nor the interest, it is obvious, can be paid out of losses.

3439*a*. In the charge for freight and demurrage in that account, do you include the charge for the freight and demurrage of that portion of the Company's shipping that went to India direct?—From the official accounts that are published, I cannot tell what is chargeable to the Indian freight and what to the China freight, because they are not so distinguished. I have taken this sum from an official document, entitled, "A statement of the amounts paid in England for freight and demurrage, including cost and outfit of the Company's own ships, from 1st May 1814 to the 30th of April 1829." I found this account amongst a collection of others, such as 30, 32, and 33, exclusively relating to the China trade. I thought, therefore, the safest way was to take the sum as I found it in the official account. If this sum does include the Indian freight, I have no means of separating the one from the other with accuracy. I know that the tonnage of the year 1820-21 was only about 6,000 tons to India; and that tonnage, taken at the rate of £10, or £11, or £12 a ton, which is the rate the Company paid in that year, would only diminish the sum, even if it should include Indian freight, about £60,000 or £70,000; but having no means of stating that on official authority, I thought the best way was to give in this sum and to explain it. The result, in either case, will still leave a large deficiency.

3440*a*. Are the Committee to understand, that if, in that sum, the freight properly chargeable for ships to India Proper is included, that will require a deduction to the amount of that tonnage from the amount you debit the tea trade with?—It may be so; but I only state that upon estimate. I have no official document to proceed upon with reference to this fact.

3441*a*. Will you state what amounts appear to have been received by the Company as the produce of their tea sales for that year?—The sale amount in 1821-2, as per No. 32 of the papers which I have before referred to, is £3,566,642. The balance or deficiency then on this account, after paying interest on bond debts and dividends, both of which are by the Act 53 Geo. III. s. 57, chargeable on commercial profits, amounts to £518,776, as particularized in the statement.

3442*a*. Are the Committee to understand that the result of

that account shows a deficiency to the amount of £518,776 on the proceeds of the trade, to pay the charges on trade, the interest of their bond debt, and dividends in this country?—Certainly in that year, so far as official documents go.

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3443a. Are those several items entered as you would enter any other commercial accounts?—This account was drawn out, as I stated at the commencement, to support the opinion which I have long entertained, that there was not a sufficiency of profit on the Company's commercial concerns to pay those two items, the interest on bond debt and dividends on stock. The account may be drawn out in a different form, and I was preparing a different view of the account, when I was called into this Committee. According to that view of the account, if it be balanced after the items of freight and demurrage, it will leave a profit on the China trade of £276,413, to meet the interest on bond debts and the dividends on stock £795,189, whilst the actual deficiency is, as before, £518,776. The result is in either case the same.

3444a. Then that account which you have now given in is only a division of the former account, leaving the interest on the bond debts and the dividends on stock separately?—Yes; and showing, according to either statement, what I have always contended for, that the profits are inadequate to the payment of those two items.

3445a. In comparing the prime cost in the year 1821 with the sale amount in 1821-2, do not you observe that the prime cost is estimated upon a quantity of 28,545,000 lbs. of tea, and that in the sale amount there are only 25,493,000 lbs., leaving a difference of about 3,000,000 lbs. of tea?—I do; and I adverted to that at the time. With a view of ascertaining what could be the cause of that difference, I cast up the columns of Nos. 32 and 33, and I find that the sum total of difference amounts to nothing more than what a private merchant would consider as a fair allowance for wastage and loss of weight upon consignments of this description, *viz.* five per cent. It is probable, therefore, the difference may be occasioned by wastage, for the sums-total of these columns will, with this allowance, be found nearly to correspond; or it may be one year's consumption of tea, which the Court of Directors are always required to have on hand by Act of Parliament, the total difference of the two columns being only 29,329,859 lbs.

3446a. In stating the profit of any one particular year, ought not you to take that deduction into account?—Certainly not; because the differences I have adverted to will go on from year to year throughout the whole period of the two statements; and in as far as these quantities (exclusive of wastage) may be found to consist of stock on hand, they are carried to a separate account.

3447a. Do you consider the allowance you have made more

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than the average wastage which would be allowed by merchants trading in the article?—I consider it a fair allowance.

3448*a*. Do you think that 3,000,000 is a fair proportion of wastage?—No; I have taken five per cent. as the proportion of wastage for the *whole* period. Either that, or the amount of one year's consumption, which the Company are obliged to have always in hand in their warehouses, will make the two columns nearly to correspond.

3449*a*. In stating the profit and loss of particular years, ought not you to take that into the account?—I should close my account as a merchant with the monies received and expended, that is, with the transactions of the year; I believe every merchant would do the same. I would beg it to be understood that I do not give in this statement as a perfectly accurate one, because the official documents do not admit of it; I only give it in as a confirmation of that opinion which I have uniformly held, that there is not a sufficiency of commercial profit in the Company's concerns to pay those two heads of charge, and I think that this statement, whatever adjustments may be required with regard to certain items in it, clearly proves the fact.

3450*a*. As you have added up the columns for a number of years, have you also taken an average of the amount of profit or loss in those years?—No, there are no means of doing it from official documents; and, as I have said before, I would not trust to any thing but official documents.

3451*a*. Then that account is made up by you in the best manner you can, from such public documents as are before the House of Commons?—It is.

3452*a*. Have you made any inquiry as to the prices of tea at Canton, and the prices at which the tea has been sold here?—I have. I am in the habit of receiving information on that head in our correspondence with China, and from the regular price-currents which are transmitted to us.

3453*a*. Have you prepared any estimate or comparative table of those prices for any one or two years?—I have prepared a statement, for the same purpose for which, as before-mentioned, I had prepared the other statement, namely, for publication, to show what the same quantity of teas purchased in China at the Chinese prices would amount to, and the prices for which they can be imported into this country by an individual merchant, who would charge himself with all the ordinary charges upon consignments of this description; and this is compared with the prices which have been charged on the Company's teas for the same period.

3454*a*. Will you have the goodness to read that statement, and show what result you come to by that mode of calculation?—

(*The witness delivered in the following Statement, which was read as follows:*)

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STATEMENT of the probable Cost at Canton of the different qualities of Tea necessary to be imported for the supply of the United Kingdom for one year, in the proportion, both as to qualities and quantities, of the Teas imported in the year 1828-9, as particularized in the printed official papers presented by His Majesty's command, February 1830; showing also the average price at which they could be disposed of in bond, so as to remunerate with a fair mercantile profit the merchant and ship-owner, giving to the latter £10 per ton freight, and to the former 18 per cent. profit, after paying freight, insurance, commission, brokerage, and charges of warehousing, with allowance for loss of weight, &c.

	lbs.	*Tales.*	*£ sterling.*	*d.*
Bohea	3,778,012	at 14 per pecul	110,191	at .. 7 per lb.
Congo	20,142,783	22 —	923,215	11 —
Campoi	284,197	22 —	13,025	11 —
Souchong	601,739	28 —	35,101	14 —
Pekoe	131,281	42 —	11,487	19 —
Twankay	4,101,845	22 —	188,005	11 —
Hyson Skin	213,993	24 —	10,698	12 —
Hyson	1,014,923	45 —	95,149	1/10½ —
Gunpowder	645	60 —	80	2/6 —
lbs.	30,269,418	Cost .. £	1,386,951	av. 11 per lb.
Freight, 30,000 tons, at £10 per ton			300,000	
Insurance, 3 per cent.			41,608	
Commission, 2½ per cent..........			34,673	
Cost, with freight, insurance, and commission .... £			1,763,232	or 1/2 per lb.

In the above calculations the Spanish dollar is taken at 4s. The rate of exchange at Canton was even lower last season, as many bills were drawn at 3s. 10*d.* and 3s. 11*d.* per Spanish dollar at six months' sight. The prices are a fair average; and it should be observed, that the price-currents from Canton, dated in February and June in the last year, quote several of the different sorts of tea at from 15 to 25 per cent. lower than the prices on which these calculations are founded.

The statements here submitted furnish an opportunity of comparing the prices obtained for teas by the East-India Company during the present charter with those at which they may be imported by private merchants.

It appears by the Parliamentary documents, that the average price of the sale of tea at the East-India House in 1828-9 was 2*s.* 3*d.* ·97 per lb. in bond. These calculations show that the same tea may be imported into this country at a cost of 1s. 2*d.* per lb., and sold at 1s 6*d.* per lb. in bond, yielding at the latter price to the merchant and ship-owner an ample profit, and giving an average price of tea, duty paid, of 3*s.* per lb. instead of 4*s.* 8*d.*, the price which the Company's average of last year gives.

It must also be remarked, that the average of 2*s.* 3*d.* ·97* per lb. is taken for the last year as the lowest of fifteen years, while the average of the present charter is 2*s.* 9*d.* ·92* per pound; and at these rates the sale value of the Company's tea stands as follows:

First.—Sold by the East-India Company, 1828 9:

30,269,408 lbs. of tea, at 2*s.* 3*d.* ·97 per lb. in bond, is....		£3,527,659
Duty, at 100 per cent. on................	£3,234,076	
Ditto 96 do.	281,839	
		3,515,913
Total value of tea-duty paid in one year..............		£7,043,572

* These rates are taken from No. 42, p. 121, of the Papers relating to the Trade of India and China, February 1830.

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Total value of tea-duty paid in one year..............			£7,043,572
Assumed price taken in this statement:			
30,269,508 lbs. of tea, average price of 1s. 6d. per lb. in bond, is..............		£2,270,213	
Duty, at 100 per cent........	£136,407		
Ditto - 96 do............	2,048,453		
		2,184,860	
Total value, duty paid, by this statement ..			4,455,073
Additional amount paid by the country for tea in one year, in consequence of the East-India Company's monopoly..............................			£2,588,499

Secondly.—But if the average price of the present charter be taken at 2s. 9d. ·92 per lb., it will appear that the same quantity of tea has, under the Company's system, cost the country annually more by £4,091,107 (as per statement below) than would have been expended on this commodity if allowed to be imported by individuals:

30,269,508 lbs. of tea, at 2s. 9d. ·92 per lb. in bond, being the average price during the present charter..........			£4,278,090
Duty, at 100 per cent. on	£4,028,090		
Ditto - 96 per cent. on	240,000		
			4,268,090
Total value of tea-duty paid in one year............			8,546,180
Assumed price taken in this statement:			
30,269,508 lbs. of tea, average price of 1s. 6d. per lb. is		£2,270,213	
Duty, at 100 per cent. on	£136,407		
Ditto - 96 do............	2,048,453		
		2,184,860	
Total value duty paid by this statement ..			4,455,073
Total difference in one year....			£4,091,107

The following exhibits the probable profit of the merchant on the assumed average price of 1s. 6d. per lb. in bond:

Shipped in China................ lbs.	30,269,508		
Loss of weight and allowance, 5 per cent.	1,513,475		
	28,756,033 at 1s. 6d.,	£2,156,709	
Charges of warehousing, &c., 3 per cent........	£64,701		
Brokerage, ½ per cent......................	11,009		
			75,710
Net proceeds....			2,080,999
Cost, as per other side, including freight, insurance and commission......................................			1,763,232
Leaving net profit (or 18 per cent.)....			£317,767

3455a. From what document or authority have you taken the prices which you have set down in that statement as the prime cost of the teas at Canton?—From prices-current in China, and from correspondence on the subject with agents and merchants there.

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3456*a*. Are they the prices of the first, middle, or lower quality of teas of each kind?—They are the prices of all the different kinds of tea sold at the Company's sales in 1828-9; nine different kinds of tea.

3457*a*. How do you know that those prices are the prices of teas of the same quality with those purchased by the Company's servants in China?—They are the prices, and the only prices, quoted in the price-currents.

3458*a*. Are you in the habit of receiving regular price-currents from Canton?—Yes, regularly. I could also state, as a further confirmation of the fact, that some of the private tea trade of the last year passed through my own hands, and I know that it was to the full as good as the Company's.

3459*a*. From what documents have you taken your estimate of the average sale of the Company's teas?—From No. 42, p. 124, of the "Papers relating to the trade of India and China," February 1830.

3460*a*. Are the Committee to understand, as the result of the statement which has now been read, that if the tea imported by the East-India Company in the last year had been imported by private merchants, allowing a freight of £10 per ton and 18 per cent. profit, the country would have been supplied with the same quantity of tea, and of the same quality, at a less sum by £2,588,499 than what they have paid to the Company?—I have not the least doubt of it.

3161*a*. Do you consider that that would have been without any loss to the revenue, or paying the same amount of revenue to the Government?—Certainly not

3462*a*. Is your statement of the average price on which you have founded the calculation of tea, with regard to the duty, taken from the documents which you have mentioned?—It is founded upon the average price of tea for fifteen years, as stated in the before-mentioned document, No. 42.

3463*a*. Are the Committee to understand that if that trade, which has been carried on by the Company for fifteen years, and assuming the average price given by them, had been carried on by private individuals, that the public would have paid less during each of those years to the amount of £4,000,000, which you have stated?—Provided 30,000,000 pounds of tea were sold in each year.

3464*a*. Has not half of that sum which you state to have been paid by the public more than under your calculation would have been paid if the trade had been carried on by private individuals consisted of duty to the Government?—Certainly; one-half of it, or nearly so.

3465*a*. Are the Committee to understand that you have made in that account all the usual commercial charges for freight, warehousing, brokerage, wastage, and that after those allow-

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ances the merchant would have received his 18 per cent. profit clear?—I have.

3466a. In that calculation which you have made, you have estimated the greatly reduced sale-price of the tea, occasioning thereby a great loss in the amount of revenue, the duty on tea being an *ad valorem* duty; have you considered how that loss of revenue which would, on that calculation, take place if the trade was opened, could be supplied to the Government?—That circumstance struck me immediately upon preparing the former statement; and as I thought it would be desirable that the revenue should, at all events, be provided for, I prepared another statement, to show how I think, at least, that object might be effected. I have that statement here, which I had intended also for publication, and which I will deliver in

[*The witness delivered in the same, which was read as follows:*]

A Statement, exhibiting the amount of Duty which would be levied on the Teas as sold by the East-India Company, 1828-9, if the scale of American duties, given in page 49 of the Papers ordered to be printed by the House of Commons 4th June 1829, were adopted; showing also what would be the amount, if the importation reached to one-third more than the present supply.

—	Imported 1828-1829.	American Duty, per lb.		Sterling Amount.	Supposed Importation of One-third additional.	American Duty.		Sterling Amount.
	lbs.	s.	d.	£.	lbs.	s.	d.	£.
Bohea	3,778,012	0	6	94,450	5,037,000	0	6	125,925
Congou ..	20,142,873	0	12½	1,049,107				
Campoi .	284,197	0	0	14,801	28,213,000	0	12½	1,469,427
Souchong	601,739	0	0	31,340				
Pekoe	131,281	0	0	6,837				
Twankay..	4,101,845	1	2	239,274	5,754,000	1	2	335,650
Hyson Skin	213,993	0	0	12,482				
Hyson	1,014,923	1	8	84,576	1,353,000	1	8	112,750
Gunpowder	645	2	1	67	862	2	1	90
	30,269,508	..	£	1,532,934	40,357,862	..	£	2,043,842

By these calculations it would appear that the present importation of tea of 30,000,000 pounds and upwards would only produce a duty, at the American rate, of £1,532,934, while the existing *ad valorem* duty may be calculated to produce £3,515,000. If it is estimated that an increase of importation to the amount of one-third, in addition to the present quantity (40,357,000 pounds), be taken at the American duty, it amounts to only £2,013,000, a sum still very short of the duty now produced. It may however be presumed that the consumption would be increased one-third; and it may be desirable that nearly the same amount of revenue may be secured as is now produced. In order to effect this, it will be more simple to fix a rated duty than to fix an *ad valorem* one. Indeed difficulties will occur at the out-ports in levying the latter, while by the adoption of a rated duty there could be no difficulty in the matter The rates at which these duties may be fixed are as follows:

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—	Rated Duty.	The Duty payable on the Teas sold at the Company's Sale, 1828-9.
	s. d.	s. d.
Bohea	1 — per lb.	1 6¼ per lb.
Congo	1 9 —	2 3¾ —
Campoi	———	2 9 —
Souchong, and all other Black Tea, except Pekoe	———	2 10¼ —
Twankay	1 9 —	2 5½ —
Hyson Skin	———	2 3¾ —
Young Hyson	2 8 —	none
Hyson	———	4 1¾ —
Gunpowder	———	6 6½ —
Pekoe	———	3 9¼ —

Annexed are the Calculations showing the Amount of Duty at the above Rates, on a presumed importation of about 40,000,000lbs.

—	Importation 1828-9	With One-third additional.	Rated Duty.	Amount of Duty.
	lbs.	lbs.	s. d.	£.
Bohea	3,778,012	5,034,000	1 0 per lb.	251,850
Congo	20,142,873	28,038,000 (Congo, Campoi, Souchong)	1 9 —	2,453,325
Campoi	284,197			
Souchong	601,739			
Twankay	4,101,845	5,754,000 (Twankay, Hyson Skin)	1 9 —	503,475
Hyson Skin	213,993			
Hyson	1,014,923	1,528,000 (Hyson, Gunpowder, Pekoe)	2 8 —	237,080
Gunpowder	645			
Pekoe	131,281			
	30,269,508	40,357,000		£3,445,730

With duties fixed at the above rates, an addition of 10,000,000 pounds of tea may be added to the consumption of the country, at a cost of £6,472,000 for the entire supply of 40,000,000 of pounds, duty paid. The cost to the country of 30,269,000 pounds of tea in 1828-9 was £7,043,000; but were it not for the difficulties which are likely to be created at the out-ports in continuing an *ad valorem* duty, the 40,000,000 pounds of tea, which would probably be imported would yield about £3,000,000 in revenue, without any alteration in the present *ad valorem* duties, notwithstanding the greatest proportion of the teas would sell under 2*s.* per pound, and be therefore subject to only 96 per cent. This is a case without the bounds of probability; as in the event of the out-ports participating in the trade to China, a rated duty on tea must necessarily be substituted for an *ad valorem* one.

In making this calculation, I have assumed that there will be an increase in the importation to the amount of at least one-third additional, if the price is reduced; for tea is now become almost a necessary of life, and therefore I have thought it safe to take the import and sale at forty millions of pounds, instead of thirty.

3467*a*. Are the Committee to understand the result of that

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statement to be this, that if the quantity of tea required for the consumption of England were imported by private merchants at the rates at which you conceive they can do it, the community would receive 40,000,000 of pounds of tea for £6,000,000 sterling, instead of paying £7,000,000, which they now do, for 30,000,000 of pounds of tea, the Government receiving at the same time the same amount of duty as they did before?—Certainly, with the trifling difference between the amount of duty stated in this table and the present estimated amount of Government duty. The difference is only £70,183.

3468*a*. Are those calculations founded upon the supposition that there will be no increase of price in Canton of the teas, although there will be an increase, to the amount of one-third, in the consumption?—They are founded upon the prices which I have here taken, averaging 1*s*. 6*d*. per pound.

3469*a*. What grounds have you for supposing that 40,000,000 lbs. of tea can be purchased in Canton at the same rate of price for which we now purchase 30,000,000 lbs.?—If there was a sudden demand for an increased quantity of tea, no doubt the price of tea, like the price of every other article under similar circumstances, would be raised for a time, but only for a time. The Chinese have the means of producing much larger quantities of tea if there was an effectual demand for it, and in proportion as they produced larger quantities the price would again fall.

3470*a*. Then you conceive that if the increase in the demand to the amount of 10,000,000 of pounds were a progressive increase, that additional quantity might be furnished without any advance in price?—Without any material advance.

3471*a*. Do you not consider that that increase in quantity would chiefly be in the lower-priced teas of China?—Certainly in the congou and bohea.

3472*a*. Are those the kinds in general use in China?—All the higher classes in China who use tea drink the finest tea; and therefore the demand for the finer sorts being of limited extent as well in China as in this country, it is probable the increase would take place in the lower qualities.

3473*a*. Do not the lower classes usually drink tea in China?—Yes; and their consumption, as far as it goes, would of course be in the lower descriptions of tea.

3474*a*. Therefore you suppose the additional demand of 10,000,000 lbs. out of the whole consumption of China would not, in a few years, occasion any great difference in price?—If the demand went on gradually increasing, I should think that it would not occasion any considerable increase of price; but even if it did occasion an increase of price at first, I conceive that as the supply would in the course of a very short time meet the demand, the price would again fall to its natural level.

3475*a*. You have made a statement respecting the revenue to Government on the supposition that 40,000,000 of pounds would be consumed; have you made any calculation how the revenue would be paid, supposing there were no increase beyond the present amount of consumption of 30,000,000 lbs.?—You might do it by collecting the present rates of duty as a rated duty. 22 Mar. 1830. — R. Rickards, Esq.

3476*a*. Do you consider that the same amount of revenue might be collected as a rated duty, which is stated in No. 41 to be the present amount of duty?—I have never made any calculation of it; but from a superficial view of this account, I should say certainly. Taking the sale prices of that account, or 100 per cent. on the sale prices, as a rated duty upon the different descriptions of tea mentioned therein, you would, of course, realize the same amount of revenue, or £3,527,659.

3477*a*. Are you aware of the quantity of tea which has been exported from Canton during the last four or five years, in each year, by the English and Americans together?—I have no actual account of it, but it is stated in these official tables. The statement No. 27 contains an account of the exports from Canton by the Americans intended for European consumption; and the account No. 26 contains the amount of their exports for American consumption. These two statements, added to the amount of the Company's exports of tea, would show the actual amount exported.

3478*a*. Have you made any computation of the average price per pound which the Company pays for their tea at Canton upon the whole quantity?—I have no statement to shew it, neither have I seen any official document from which I could accurately frame it. I think the information can only be supplied with strict accuracy from the India-House.

3479*a*. Do you happen to know whether the prices quoted in the Canton price-currents are regulated by the prices given by the East-India Company for their tea, they being, of course, the principal purchasers in that market?—Being the principal purchasers in the market, their purchases will, of course, very materially influence the prices at which the tea is procured; but there are other purchasers in the market, the Americans and the Indian merchants, and their demand for tea will, of course, have its effect in influencing the price: but I should consider the Company's demand for tea to have the chief influence upon the actual price of the tea quoted in the price-currents.

3480*a*. Then you consider it a fair datum to consider the cost of the East-India Company's teas to be the prices stated in the Canton price-currents?—Certainly, I do.

3481*a*. Are you aware whether the Company's contract prices for tea are those stated in the price currents?—I think that information can only be procured, with the accuracy to be depended upon, from the records of the India-House itself.

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3482*a*. From your intercourse with persons carrying on the China trade, are you aware of any peculiar difficulties in the way of merchants trading with China?—Private merchants of this country are shut out of China altogether. The merchants from India are allowed to carry on a trade between India and China; but that trade now, and the consequences of that trade, are most materially obstructed by its not being entirely thrown open. The great obstructions experienced in this case by the Indian merchants may be considered a question of national importance. The removal of those obstructions would be attended with immense advantages to this country.

3483*a*. By whom are the obstructions interposed?—By the system; that is, by the operation of the Chinese monopoly, which is sanctioned by Act of Parliament.

3484*a*. Do you mean by the East-India Company or by the Chinese?—I mean to say that obstructions arise out of the system itself.

3485*a*. Is it the system adopted by the Chinese, or the system as regulated by this country?—I mean the whole system, and what is commonly called the Chinese monopoly particularly.

3486*a*. In China or in England?—Altogether, both in India and in China.

3487*a*. Do you mean arising from the laws of England or the laws of China?—It arises out of the peculiar manner in which the trade is carried on, and the operation of the system altogether upon the trade.

3488*a*. Will you explain in what way the system throws difficulties in the way, both as regards the Chinese government and the Company's establishment?—I have long been of opinion that the Company's trade has been a source of great injury, not only to India, but to this country also; and likewise to have involved the Company themselves in all their present difficulties and incumbrances. I have no hesitation, indeed, in saying, that I consider it, from the official accounts which have been printed and published, to be the sole cause of every fraction of their debt, both at home and abroad. In other respects it cannot be disputed, now-a-days, that it must be very injurious to any country for the sovereign to be carrying on trade on his own account in his own dominions. Such injury is experienced, or at all events was experienced, to very considerable extent, during the whole of the time I was in India. The Company, from having no active circulating capital of their own, are obliged to be supplied with funds for the purchase of their teas in China from their Indian revenue. A large portion of the revenues required for the China trade is taken in kind on the western side of India; in other words, they take a large quantity of cotton, or used to do so when I was in Bombay, from the districts

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belonging to themselves, where, as sovereigns of the country, they consider themselves entitled to one-half the gross produce of the soil as a land-tax. That one-half, in the cotton districts, being taken in kind, the ryots or cultivators were compelled to surrender the other half to the Company's agents at a certain price; but this price was not a price agreed upon at the time of the purchase between the Company's commercial resident and the cultivators. The price was fixed, after the cotton had been embarked on board the Company's ships and sent off to China, by a committee, consisting of the judge of the district, the collector of the district, and the commercial resident, who met for the purpose of settling the price which the ryots were to receive for the remaining half of the cotton, and that price they were obliged to take. The price was often below that which they could have got from private merchants. This was formerly the case on the western side of India, and it is probably the system of the present day. Besides which, I have reason to know that whenever the Company go into the market for the purchase of any commodity in India not under their immediate control, the knowledge of their being purchasers has the effect of immeately raising the price of the article, and it raises it so materially in the Indian market as to render it extremely difficult for the merchants in India to make remittances to this country. It often happens, therefore, that they cannot send home goods at the market price of those goods, except at a dead loss; and their legitimate commercial operations, as regards the intercourse between India and England, are thus materially obstructed. I take this to be entirely owing to the system now prevailing, of the government being traders in their own country. It would be a vast advantage to the Indian merchants, if they could be allowed to make their remittances by way of China; but there they are obstructed also; and there the obstruction is, as it appears to me, of great national importance. If the trade of China were perfectly free, the merchants of India would increase their consignments to China, and from the sale-proceeds of those consignments they might be enabled to purchase the bills of the British traders on England at a reasonable rate of exchange, and thereby make remittances upon favourable terms. At present they are precluded from this advantage; the consequence is, that the returns for their consignments to China are necessarily sent back to India; they go back to India partly in bills granted by the supercargoes in China on the Indian governments at a low rate of exchange, and partly on bullion and goods. During the years 1828-9 the exchange from Canton on Calcutta was but 200 rupees for 100 Spanish dollars, whilst the par of exchange is 207 rupees for 100 Spanish dollars. The same thing took place with regard to the exchange on Bombay; private merchants could only get bills at 212 rupees for 100 Spanish dollars, instead of 220, the real par. The consequence of this obstruction is, that private merchants are under the ne-

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cessity of carrying back such goods, in small quantities, as will sell in India; and of late years, particularly as the Company's treasury in Canton has been shut against bills on this country, of returning to India with large quantities of bullion. There is scarcely a ship that has lately come from Canton to Calcutta that has not brought back dollars and Sycee silver to a great amount. Instead, therefore, of the ordinary advantages of legitimate traffic, the Indian merchants are actually deprived of those means of remittance to England which they are most desirous of accomplishing, and through which the national interest would be greatly promoted. In this way there is, as I conceive, a most important obstruction thrown in the way of the commercial intercourse between India and England, by the restrictions on trade arising out of the system of the Company's China monopoly.

3489*a*. How does that interference affect the dealings with the Chinese at Canton?—The dealings with the Chinese at Canton would be proportionally increased if the trade was thrown open, because it would encourage greater exports from this country, and larger exports from India to China, if the Indian merchants had the means of remitting to England, which they are now in search of, and in which they are so much obstructed.

3490*a*. Do you consider the exports from China as sufficient to afford the means of remittance for all the exports which it is now so difficult to obtain?—I have no doubt that from such a country as China almost any amount might be provided for the purpose of returns to this country, to India, and to other parts of the world.

3491*a*. On what authority do you form that opinion?—I ground it upon the belief that such a country as China, with all its varieties of soil and climate, and occupied by a naturally industrious population, cannot fail to produce all the articles which it now yields in far greater quantities than it now does.

3492*a*. Have you any communication or information enabling you to form an opinion of the anxiety of the Chinese to extend their trade?—I believe that the Chinese are a perfectly commercial people. Wherever the Chinese have been established, in Sincapore, in Java, in Borneo, and in the others eastern islands where they are settled in great numbers, they are found to be the principal traders, and the most industrious people in the country. I therefore take the Chinese, generally speaking, to be a perfectly commercial people, and exceedingly anxious to extend their commercial dealings, in spite of any restrictive regulations that may be imposed upon them by the Chinese government.

3493*a*. Have you had any specific examples brought to your notice of the desire on the part of the Chinese, in other ports than Canton, to open a communication with English merchants?—Yes. I have in my possession an extract of a letter from an European merchant who had visited China, to his friend

and correspondent in Calcutta. It is dated Canton, 19th September, 1823, and the extract is as follows: 22 Mar. 1830. R. Rickards, Esq.

"The Manilla people only are allowed liberty to trade to Amoy, which would have been granted to us could we have waited. A mandarin followed us *seven miles from the port of Amoy to entreat our return*, which, however, our plans would not admit of. We experienced civil treatment, even from the mandarins of rank, and the complaisance of the inhabitants generally formed an agreeable contrast to the haughty demeanour of the lowest here (Canton). The single circumstance of foreigners not being denied women (as they are most rigidly here, Canton) speaks volumes. No foreigner is allowed to remain after the departure of his ship. As far as we could learn, no charge similar to measurement-duty is levied on foreign ships. The government revenue is derived from an export duty, which the foreigner pays on his export cargo: but this duty appears to be not fixed; and I suspect the injudiciousness of the mandarins in increasing it beyond bounds, is the cause of the discontinuance of the trade by the Manilla people. It is probable that, with a view to bring it back, the mandarins would now be more reasonable. They seemed to say that the Hong merchants of Amoy are pretty much in the bankrupt situation of those here (Canton). They inquired much for most of the articles from the eastern isles imported in their junks; and also for rice, for *which they rely mainly on Formosa*; but we could form no idea of the price to be obtained for them. The prices of the European articles we saw in the shops were not so much above the Canton rates as was to be expected. I am very keen for an adventure to Amoy, for the purpose of opening new channels for opium in that quarter, the chief mart of its consumption; but it is too weighty a concern for us to undertake singly; and I have contented myself with writing to Manilla for information, and with sounding our friends there on the subject. As you have already adventured in a Chinese bottom, you will, I hope, give a lift to our plans also. The foreign trade in junks is not contraband in China, since the accession of the present family (about 1660.) It is *connived at by the government, and is, I believe, even licensed at Amoy*. I do not see why a junk could not load goods at Amoy or elsewhere, as if for a foreign port (Manilla, Batavia, &c.), and afterwards tranship them to a foreign vessel waiting in the neighbourhood."

3494*a*. What, in your opinion, would be the result of opening the trade with China to Englishmen generally?—I believe it would have the effect of extending the commercial intercourse between this country and the East most materially. I ventured in the year 1813 to predict that that would be the consequence of opening the trade to India. That opinion is most abundantly proved by No. 40 of the "Papers relating to the Finances of India," which is contained in the collection presented by his Majesty's command in February 1830, and now on this table. It was stated at that time (1813) by the advocates of the Company, that it was impossible to increase the export trade to India. I ventured to entertain a different opinion; and I refer to this statement, No. 40, in support of the opinion I

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then gave. That statement shows that, on the average of sixteen years, the Company's exports of goods to India were only 3,85,650 rupees per annum, whereas the average of sixteen years' exports by private individuals from Great Britain is 1,56,96,078 rupees. The treasure exported by the East-India Company averages 12,15,294 rupees, and by individuals 24,40,113 rupees. The total of the exports by the East-India Company is therefore 57,10,344 rupees, and by private individuals 1,81,36,191 rupees. If the whole of the exports by individuals from foreign Europe and America contained in that statement be added to the English exports, it will give a total of 2,82,54,537 rupees by individuals, against 50,71,344 rupees by the Company. Thus the trade to India is proved to have been capable of increase, which I then maintained would be the case; and though this increase exceeds even my expectations, considering all circumstances, still, great as it is, I have a most perfect conviction that if the trade to China was also opened, there would be a far greater increase of the exports from this country than is exhibited in this statement.

3495*a*. Are you not aware of the peculiarities of the Chinese government with regard to trade, and that a comparison cannot therefore be fairly made between India and China as to any expected increase?—I know that the Chinese government have imposed restrictive regulations upon the foreign trade of their own country; but I know, at the same time, that these regulations are completely set at nought by the commercial spirit of the people.

3496*a*. Are you aware that the Chinese government prohibit entirely the exportation of silver?—They do.

3497*a*. Have you any means of stating to the Committee what quantities are annually exported notwithstanding those prohibitions?—I have already stated in a former answer, that large quantities of silver were necessarily exported from Canton to Calcutta, and to Bombay, in consequence of the low rate of exchange prevailing there, and the impossibility of the Indian merchants getting a remittance for their funds to this country *viâ* China. I have in my office in the city various accounts of remittances of bullion to Bengal and Bombay in different seasons; but just previous to my coming down to the Committee I fell in with a Canton price-current and register, which gives the following as the exports of bullion from Canton to Calcutta and Bombay in the year 1828. The exportation to Bengal in dollars was 2,169,837. In Sycee silver, 19,210; South American silver, 55,273; total, 2,244,320 dollars. The exportation to Bombay in dollars, Sycee and South American silver, 3,423,659 dollars. Total exported, 5,667,979 dollars. The importations of dollars in the season 1828 are stated in the same register to amount to about 2,301,800; and the circulation of Company's bills on the Supreme

Government of Bengal would probably not amount to more than seventeen lacs of dollars. I copied this information out of the printed register, dated 26th February 1828. 22 Mar. 1830. — *R. Rickards, Esq.*

3498*a*. Are you not afraid that if the trade were thrown open by removing the Company's present exclusive privilege, there might be danger of interruption to the trade with Englishmen? —Not the least. I am clearly of opinion that we have means, and more powerful means, of controlling the trade with China, than the Chinese government itself.

3499*a*. On what do you found that opinion?—From the printed official statements before the public. It appears in one of them, *viz.* No. 29 of Papers, &c. 4th June 1829, that out of 15,000,000 of imports into Canton in one year, 11,000,000 were of the article of opium. Now the Chinese, although it is a prohibited article, are in the constant habit of using it, the higher ranks as well as the lower ranks. They cannot therefore do without it. It is well known that those persons who are in the habit of using opium cannot leave it off; the Chinese would therefore require importations of opium to the same extent as formerly. They require also large supplies of dollars; for it is a curious fact, as stated in the register I have before quoted, that the importation of dollars into China in the year referred to was only 2,304,800, when the exports to Bombay and Bengal amounted to above 5,000,000. In this state of export and import, it is therefore clear that China must be in constant need of a supply of dollars, which, in the case supposed, it could only procure from private traders. The Chinese also require to be supplied, as stated in the extract of the letter I gave in, with rice from the island of Formosa. It is understood that two, at least, of the provinces on the eastern side of China are deficient in that commodity, and that if those supplies were stopped it would go a great way to create disturbance in the country. Although I do not anticipate any such obstruction as is contemplated in the question (for I have no idea that the Chinese would have the least objection to the opening of the trade), still if measures of coercion should be rendered eventually necessary, the employment of two or three cruizers upon the coast would effectually prevent the entrance of those very important supplies into China, which I have above enumerated; the consequence of which would be great distress to the Chinese themselves, and, in all probability, immediate concessions and advances for a renewal of friendly intercourse, even if they had been previously disposed, under the orders of their own government, to obstruct it. Let it also be recollected that they would have, if the trade were stopped, large supplies of tea on hand; and if they could not sell those teas to English merchants, I should be glad to know to whom they would sell them. In this respect our means of influencing the trade are also great, for a stoppage of the tea-trade would be attended with incalculable distress to a vast mass of population in the

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tea districts; it is therefore to the full as much their interest to sell as it is ours to buy. But if all these means and powerful incentives were to fail, we have still a hope left; for it is well known by those gentlemen who have lived in the Eastern Islands for some time, that the Chinese merchants established in those islands would at any time contract with foreigners upon the spot to supply any quantity of tea, and of any quality that might be desired. If therefore English ships were prohibited going to China, I conceive that supplies of tea and other Chinese articles might just as easily be got from Sincapore, or Java, and other ports in the Eastern Archipelago, as they can now from China itself. These then are the grounds of my belief, that, under all circumstances, we have the means of controlling the trade with China, even more effectually than the Chinese government itself; for when the Chinese merchants and the mass of the community find that they have an interest in carrying on certain branches of trade, they will do it; as is sufficiently manifest in their importation of opium, and export of silver, in spite of the most severe laws that can be enacted by their own government.

3500*a*. Are you of opinion, that it is as much the interest of China to trade with us, as it is of England to trade with China?—I think so, if not more.

3501*a*. In what way do you consider that a few English cruisers would so influence the Chinese government as to oblige them to open the trade, if, by any circumstance, it was once interrupted?—I allude to that as an extreme case, and of course only to be resorted to in the event of its being found indispensably necessary, or justified by some previous act of aggression on the part of the Chinese authorities. I am far from thinking it one that is likely to happen; but if it should be necessary to control the government of China by force, I think that, by the means I have suggested, you might effectually accomplish the intended object. I repeat, however, that I do not anticipate you ever would be obliged to have recourse to any such measure of hostility; for my firm belief is, that the Chinese would gladly hail the approach of free-traders, and receive their goods, giving theirs in return, without the least difficulty.

3502*a*. Have you known of any circumstance obliging the Chinese government to make terms with individuals interrupting their trade?—I am not acquainted with any that I could speak very decidedly to; I have heard of such occurrences, but the public records are probably the best authority on this head.

3503*a*. Do you suppose it would be necessary to export bullion to China for the purchase of tea, silks, and other articles which would be required by the extended trade you contemplate?—Certainly not, no more than it is now necessary to export bullion to India. The trade would soon fall into chan-

nels which would render it easy for British merchants resorting to China to furnish themselves with funds, by giving bills to India merchants, or their representatives in China, or to agents on the spot; and funds would thus be raised to any required extent upon reasonable terms, such as would enable the trade to be carried on, in all probability, with advantage to both parties. 22 Mar. 1830. R. Rickards, Esq.

3504*a*. Is it your opinion that the operation of the trade at Canton would be equally beneficial to India as to England, in promoting the general commerce between all the three countries?—The advantage that would result to the Indian merchants from making the trade to China perfectly free, and by thus promoting British exports, appears to me to be absolutely incalculable.

3505*a*. Is not the export of goods to India at the present moment limited by the difficulty of obtaining returns?—Most certainly; in the way I have explained.

3506*a*. Is it your opinion that the exports from China to England, and to the rest of the world, which might be available by English merchants, would remove that difficulty, and consequently increase the general trade, not only from China, but from England to India?—It would, in my opinion, increase it incalculably. I cannot express my conviction on this head too strongly.

3507*a*. And these are the grounds on which you consider such advantages would accrue to both India and England from a free intercourse with China?—Yes.

3508*a*. Do you know how the Company pay their investments in China, as it is evident from the official returns that they do not send out manufactures equal to purchase their investments?—I have always been of opinion, ever since I had the first opportunity, in the year 1812-13, of analyzing the Company's accounts, that their trade is entirely supplied by their revenues; and that, so far from their commerce ever being of the slightest aid to the territorial concern, it is the territory that alone supports and upholds their commerce. They could not, in my opinion, carry on trade without the support of the revenue. Their supplies of investments, both from India and China, are invariably furnished by Indian revenues.

3509*a*. Is it your opinion that the government of India, under these circumstances, would be maintained better by the Company not being traders, either to India or to China, than as they now are?—I am quite sure that it would. I have no doubt that it would be found, upon a careful examination of the official accounts which have been laid before Parliament, that there has been a surplus revenue from the territories of India,

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to a very considerable amount, for the last thirty-five or thirty-six years at the least, which accounts I have had an opportunity of inspecting. That surplus revenue would have enabled the Company to carry on the political concern without any foreign aid whatever. I consider, on the other hand, that the commerce of the East-India Company is the sole cause of all their incumbrances and debts. I avail myself with pleasure of the opportunity which the question affords me, of adding my unreserved belief, from a careful examination of the records of the India Company, which have been printed and circulated in four large folio volumes, for the use, I believe, of their servants abroad—from the ability displayed in those records, and the anxious disposition uniformly expressed to promote the welfare of their territorial possessions, that the East-India Company will be found to be by far the best organ or instrument that His Majesty's Government can employ for the future political administration of that country; and I do lament most sincerely that they should ever think it necessary to mix up a commercial character with their political one, inasmuch as I conscientiously believe their commerce to be their bane.

3510*a*. Will you be prepared, at a future period, to submit to the Committee a statement, showing how far the revenues of India are, in your opinion, from the documents laid before Parliament, adequate to maintain the government of that country whithout the aid or interference of commerce?—Yes, I am perfectly prepared to prove it now.

3511*a*. You have stated, that by the Company going into the market in India as merchants, considerable derangement and increase of price takes place at various places where their investments are purchased: are you able to state what effect the sales of those investments have on the general state of commerce in England, when they take place?—As far as regards their interfering with the purchase of goods in India, I have already stated, that whenever the Company's agents are known to be in the market, it invariably has the effect of running up the prices from 15 to 30 per cent. The price of cotton, for example, I have known to be run up by this cause. Since I have left India I have also known of many instances, from correspondence I have carried on with India, where the same effect has been produced in other articles. I remember, upon one occasion, that when the Company first entered into the indigo trade, the government of Bengal were afraid of making their purchases openly for the Company's investment. They employed an agent upon the spot to make purchases for them. It was very soon found out by the resident merchants of Calcutta that there was a Company's agent in the market, and the price was run up in the course of about eight or ten days from 190 rupees a maund to 230, 240, and 250 rupees a maund. I

happen to know of one house in Calcutta, that having made a purchase of a considerable quantity of indigo at 190 rupees per maund, sold it in a few days afterwards for 230 or 240 rupees per maund, and thus realized upon the resale of it, in consequence of the Company being in the market, between three and four lacs of rupees before they had had time to pay for the original purchase.

3512*a*. Would not that rise in price be occasioned by any other great customer coming into the market?—By such a customer as the East-India Company.

3513*a*. Do you know any persons trading to India who have the capital at command that the East-India Company have, to go into the market and purchase so largely of any commodity? —I know of no capital that the Company possess, except what they obtain annually from their revenues in India; but that capital is so enormous, that it is impossible for any private merchant to compete with them.

3514*a*. Can you state any effect that has been produced on the markets in England by the Company's sales of their large purchases?—In some instances it may affect the markets here; but the Company's sales in general of their goods have been very fairly made, and I would not say that it affects the markets here materially, although in some instances it may have done so.

3515*a*. You consider the effects to be principally in their making their purchases in India?—That is the great cause of derangement, and which is absolutely ruinous to the commercial intercourse between the two countries.

3516*a*. Are you able to state how far that principle may apply to their purchases in Canton?—Their purchases in Canton are made, as I stated before, by supplies, in a great measure, which are forwarded from India in goods to Canton for that purpose; those goods are either taken in kind from the revenues of India, as I have before explained in respect to the west of India, or else they are purchased in the public market, as in Bengal, at a price far above that which the private merchants would give; and as long as the China monopoly is continued, these injuries will also be perpetuated.

3517*a*. You refer now to the proportion of goods which the Company purchase in India?—Yes.

3518*a*. How does that affect the purchase of tea?—Upon a fair mercantile statement of the concern, it would certainly affect the out-turn of the speculation.

3519*a*. Do you mean to say that much of the Company's revenue is collected in kind in Bombay?—I know that it was when I was in India, in the cotton districts belonging to the company on the western side of the peninsula. They were

22 Mar. 1830. constantly in the habit of taking their proportion of the cotton produce, or half of the gross produce, in kind.

R. Rickards, Esq.

3520*a*. Was not that always a very small proportion of the cotton exported from India to China?—Not a small proportion. I know that in Bengal they purchase cotton; but I have letters from gentlemen in Calcutta, stating that the prices in the year 1821 of cotton to the East-India Company was about 25 rupees per maund, when it was procurable by private merchants at the rate of 15. This was ascertained from the circumstance of the Company having sent out orders to Calcutta, that the commanders and officers of their ships should only be allowed to take cotton to China on condition of taking it from the Company at the prices which it cost them. In another year it was stated that the cost was in the same way to the captains and officers of the Indiamen 18 rupees, when the current market price of it in Calcutta was 14.

3521*a*. What, in your opinion, would be the effect of opening the trade to China to the English generally; would it give the British merchants any advantage over the Americans and Dutch, or other people, for the supply of Europe?—A very great advantage over all other nations; and that advantage would arise out of the facilities which I have before mentioned, that would be mutually granted to each other by the Indian and the British traders. It would also give a great advantage to British merchants, in as far as it would enable them to supply all our colonies, South America, and even the countries of Europe, with Chinese produce, which they could do then upon better terms than the Americans, or the French, or the Portuguese, or Dutch, or any other nation that has been in the habit of trading to China. The advantages of opening the trade to China, both to England and to India, as I before said, appear to me to be quite incalculable.

3522*a*. Are our colonies principally supplied with Chinese produce by other countries?—The Americans now participate very largely in the carrying trade; but I have had conversations myself with Americans on this very subject, and their apprehension is, that if the trade to China were once thrown open to British merchants, they (the Americans) would be entirely thrown out of the market. There is doubtless some cause for this alarm, from what has already taken place in India. In consequence of the degree of freedom given to the trade in India since 1813, British merchants have completely excluded the Americans from that country; it is therefore no unreasonable conclusion that the same effect would be produced by opening the trade to China. The Americans are at all events alive to it as a probable result.

Martis, 23 *die Martii*, 1830.

HENRY WILLIAM MASTERSON, Esq. called in, and examined.

23 Mar. 1830.

H. W. Masterson Esq.

3523*a*. I BELIEVE you are vice-consul at Rotterdam?—I am.

3524*a*. You do not receive any salary?—No; I have never received any remuneration from any one on that account.

3525*a*. Are you engaged in trade?—For the last fifteen years I have had the superintendence of a commercial concern at Rotterdam.

3526*a*. Is that commercial concern upon an extensive scale? —It has been upon an extensive scale.

3527*a*. Have you directed much of your attention to the tea-trade in Holland?—I have for the last ten or twelve years past.

3528*a*. Can you exhibit any view of the tea-trade, and for what period?—I can lay before the Committee a statement made up by myself, containing a view of the Netherlands tea-trade for the last twelve years, distinguishing the quantity imported by the Dutch, and by Americans, the only other parties who have been engaged in the trade. About half a million of quarter-chests of tea have been imported in that period, giving an average annual importation of about 41,000 quarter-chests.

3529*a*. Does that include the whole of the Netherlands?—It includes Belgium and the whole of the Netherlands. The statement exhibits about three-fifths of the trade in the hands of the Americans, and two-fifths only in the hands of the Dutch, during the whole of that period. The statement shows also the duties and prices; the duty varies from five-eighths of a penny per English pound to four-pence and five-eighths, according to circumstances, bringing it into English money and weights.

3530*a*. Is that an *ad valorem* duty?—No; there was an *ad valorem* duty of 10 per cent. in 1818, when this statement commences; but some alteration was then made with a view of favouring the Dutch flag, which has not, however, had that effect: indeed the duties are so low, that the difference between importations by Dutch and foreign flags is only about an English penny in the lower prices, and on the higher prices it is nothing.

3531*a*. Are there any duties paid upon importations in foreign bottoms into the Dutch ports?—For the lower sorts of teas, instead of five-eighths of a penny by a Dutch vessel, it is one penny and five-eighths by foreign vessels, and there is a duty of a tenth upon English vessels; that is a general additional duty upon all articles imported in English vessels.

3532*a*. Will you have the goodness to deliver in the statement you have prepared?—[*The witness delivered in the same, which was read, as follows:*]

TEA TRADE TO

	IMPORTATIONS.					DUTIES ON
	Netherland Vessels.		United States Vessels.			
	Number of whole Cargoes.	Quantity.	Number of whole Cargoes.	Quantity, in whole or broken Cargoes.	TOTAL Imports.	By Netherland Vessels.
		¼ chests.		¼ chests.	¼ chests.	
1818	6	37,381	8	53,154	90,535	10 per cent. ad valorem. ....
1819	1	6,948	11	52,981	59,929	*If Imported direct:* Bohea and low Congo, 5 guilders 6 cents per 100 Netherland lbs. .... $\frac{7}{16}$ths of a penny per Eng. lb. Other sorts, 10 guilders 12 cents. .... $\frac{15}{16}$ths of a penny.
1820	3	14,029	12	59,343	73,372	
1821	1	6,279	2	10,934	17,213	*If imported indirect:* Bohea and low Congo, 16 guilders 19 cents. .... $1\frac{1}{2}$ penny per Eng. lb. Other sorts, 32 guilders 38 cents. .... 3 pence.
1822	2	8,987	4	19,037	28,024	*If imported direct, and in whole Cargoes:* Bohea and low Congo, 7 guilders per 100 Netherland lbs. .... $\frac{3}{8}$ths of a penny per Eng. lb. Other sorts, 12 guilders $1\frac{1}{12}$th of a penny.
1823	—	—	4	26,192	26,192	
1824	1	6,811	2	6,212	13,023	
1825	1	6,364	5	30,860	37,224	*If imported indirect, in broken Cargoes:* Bohea and low Congo, 18 guilders. .... $1\frac{5}{8}$ths of a penny per Eng. lb. All other sorts, 34 guilders 3 pence.
1826	6	37,764	1	8,004	45,768	
1827	4	23,583	—	4,455	28,038	*Imported direct, in whole Cargoes:* As before.
1828	4	29,834	3	16,838	46,672	*If imported indirect, in broken Cargoes:* Bohea and low Congo, 27 guilders per 100 Netherland lbs. .... $2\frac{1}{2}$ pence per Eng. lb. All other sorts, 51 guilders. . $4\frac{5}{8}$ths pence
1829	3	21,034	1	5,358	26,392	
	32	199,014	53	293,368	492,382	

N.B.—The different sized packages of tea have all been brought to quarter-chests in the above Table. The ¼ chest, taken at 66 English lbs. net, makes the average annual import 2,700,000 lbs. The average consumption is *estimated* at 2,600,000 lbs.

Rotterdam, the 8th March, 1830.

THE NETHERLANDS.

IMPORTATIONS. By Foreign Vessels.	PRICES (Duty paid), Taken about the middle of each Year. In Dutch Money, per ½ Netherland lb.	In English Money, per English lb. s. d. s. d.
No difference	Black, 11 to 51 stivers, per ½ N. lb. (low Bohea to fine Souchong)	Black, 0 10 to 3 10
	Green, 23 to 75 stivers (common Skin to fine Hyson)	Green, 1 9 to 5 7½
No difference	Black, 10 to 50 stivers	Black, 0 9 to 3 9
	Green, 16 to 56 —	Green, 1 2½ to 4 2½
	Black, 10 to 42 —	Black, 0 9 to 3 2
	Green, 17 to 54 —	Green, 1 3 to 4 0
	Black, 18 to 40 —	Black, 0 9 to 3 0
	Green, 16 to 42 —	Green, 1 2½ to 3 2
Bohea and low Congo, 18 guilders per 100 N. lb — 1⅝ths penny per Eng. lb. All other sorts, 34 guilders — 3 pence.	Black, 16 to 48 —	Black, 1 2½ to 3 7
	Green, 22 to 56 —	Green, 1 8 to 4 3½
	Black, 15 to 42 —	Black, 1 1½ to 3 2
	Green, 25 to 51 —	Green, 1 10½ to 3 10
	Black, 16 to 45 —	Black, 1 2½ to 3 4½
	Green, 27 to 50 —	Green, 1 11 to 3 6
	Black, 16 to 55 —	Black, 1 2½ to 4 1½
	Green, 28 to 50 —	Green, 2 1 to 3 9
	Black, 10 to 45 —	Black, 0 9 to 3 4½
	Green, 19 to 46 —	Green, 1 5 to 3 5½
If direct, in whole Cargoes: Bohea and low Congo, 18 guilders, — 1⅝ths penny. All other sorts, 34 guilders — 3 pence.	Black, 10 to 40 —	Black, 0 9 to 3 0
	Green, 18 to 48 —	Green, 1 4 to 3 7
	Black, 9 to 45 —	Black, 0 8 to 3 4½
Indirect, and in broken Cargoes: Bohea and low Congo, 27 guilders, — 2½ pence. All other sorts, 51 guilders — 4⅝ths pence.	Green, 15 to 42 —	Green, 1 1½ to 3 2
	Black, 10 to 48 —	Black, 0 9 to 3 7
	Green, 17 to 50 —	Green, 1 3 to 3 9

N.B.—From $\frac{1}{10}$th to $\frac{7}{10}$ths of a penny must be added to the foregoing *specific* duties on tea, for the *general* augmentation on the duties of all goods, which varies from year to year, and has fluctuated between 13 and 15 per cent.

H. W. MASTERSON.

23 Mar. 1830.

H. W. Masterson, Esq.

3533*a*. What is the population of the Netherlands?—Six millions; two millions for Holland, and four millions for Belgium.

3534*a*. Do the Belgians consume much tea?—Comparatively with the Dutch, very little.

3535*a*. Is any part of the tea brought into Holland exported?—A portion is exported, but a very small one, as Hamburgh competes with Holland in the exportation to the interior of Germany. Some portion of tea goes from Holland even as far as Poland; it is supposed with the intention of smuggling it into Russia.

3536*a*. Does any of it find its way up the Rhine?—Yes, some green tea to Germany, and some black tea to Poland, for the purpose I have mentioned.

3537*a*. Do the Dutch consume more black or more green tea?—The Dutch consume more black than green teas. Some provinces, Friesland for example, more green than black. Brabant, which is supplied from Holland, as it imports very little tea, takes chiefly green tea from Holland. Some very fine hyson and gunpowder tea is supposed to find a particular demand, at present, in Holland for Brabant, for the consumption of the numerous English settlers in Brussels and that quarter, who take the higher-priced teas.

3538*a*. Has the consumption of teas in Holland been increasing since 1818?—It has been stationary; it is supposed to be about 2,400,000 pounds Dutch, about 2,700,000 pounds English. The consumption is supposed to be about 40,000 chests: the importation is about 41,000 chests.

3539*a*. Can you describe the quality of the tea consumed in Holland?—From my own knowledge, I will not take upon myself to speak of the quality of tea. I have brought with me samples of a cargo of tea which is now selling at Amsterdam, and which is considered by the trade in Holland as a good cargo, and may be considered a fair specimen of tea exported from China by foreigners; these samples are of tea which will have been sold on the 17th instant.

[*The witness produced the same.*]

3540*a*. Have you any means of knowing whether that is the same quality or inferor in quality to that which is consumed in England?—From my own knowledge I cannot pretend to speak; but I have a case in point, of a person in Holland having required some tea, about a year since, of a particular quality, good souchong, which was not at that time to be obtained in Holland. He sent a sample of what he required to a merchant in England. I have the letter with me which he received in reply, and I will produce it: it is dated London, the 2d of May 1829, and it is as follows:—" My broker has just tasted the sample of tea referred to in yours of the 18th ultimo, and pronounces it superior to any we have here at the present

moment. Some equal to it may arrive by the ships daily expected; and if so, he will report to me, and it shall be communicated to you, and for that purpose the remainder of your sample will be retained: it would be worth here, I mean as a legal importation, 4*s.* 2*d.* to 4*s.* 4*d.* per lb." The grocer's shop price for that tea in Rotterdam was 42 stivers, duty of 3½ stivers paid; or at the rate of 2*s.* 10½*d.* per English pound, duty off.

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3541*a*. Was there much of that tea, a sample of which was sent to this country, in Holland?—There was none of it. I presume that the person in question had five or six quarter-chests of it, a portion of a parcel he had bought from the cargo of the American ship Washington.

3542*a*. Was it select tea?—I know nothing of it further than that he had bought some of the tea, and wanted some more.

3543*a*. Do you happen to know whether it arose from the teas in England being two years old that the dealer of Rotterdam could not obtain tea of a similar quality to the sample he sent over?—I never heard any detail further than this letter exhibits, which he put into my hands at the time.

3544*a*. Do you mean to state, that it is the course of trade for merchants in Holland to send for tea to England in that way?—No, it is quite an uncommon thing; I never heard of such a thing before. It was the grocer's own idea that he could get the tea he wanted in that way.

3545*a*. Do you mean to say 4*s.* 4*d.* is the average price of souchong at the Company's sales?—No, it was a particularly good quality. The letter states that there was no quality so good here at the time, but that the price would be 4*s.* 4*d.* for that quality, the price of which was 42 stivers in Holland.

3546*a*. Is not the souchong a black tea?—It is.

3547*a*. Is that of the highest quality?—It is not the highest priced in Holland: we have souchong in Holland as high as 56 stivers, but there was none of that particular description in the market.

3548*a*. Can you give the Committee any idea of the relative prices of tea in England and Holland?—I can give no better idea of the relative prices than by this instance; the prices in the table I have delivered in show that tea has been very stationary in value; there has been very little fluctuation for ten years; 8*d.* has been the lowest price, and 10*d.* the highest for the lowest quality of bohea; this is the wholesale price, duty paid.

3549*a*. Have you any account of all the descriptions of teas?—To make up the table I have delivered in, I have taken three descriptions of black tea, bohea, congo, and souchong; and two descriptions of green, hyson-skin and hyson. The prices have varied during twelve years, for black tea, from bohea

23 Mar. 1830. to the best souchong, as follows; the lowest rates have been from 8*d.* to 10*d.*, and the highest from 3*s.* 4½*d.* to 4*s.* 1½*d.*

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3550*a.* Then the fluctuation has been for the lowest quality from 8*d.* to 10*d.*, and for the best quality from 3*s.* 4½*d.* to 4*s.* 1½*d.*?—Yes, that has been the greatest fluctuation in twelve years. The lowest price I find of hyson-skin is 1*s.* 8*d.*, duty paid; and the highest price for that lowest quality of green seems to be 2*s.* 1*d.*, and the highest for the best quality 5*s.* 7½*d.*

3551*a.* Is the bohea the lowest description of tea?—It is.

3552*a.* Is the best of the bohea equal to any description of congo, or not?—No, I am not aware that it is.

3553*a.* The congo is the next quality; is any of that equal to souchong?—No; at least the prices indicate so.

3554*a.* Can you state the price of tea sold retail in Holland, and compare that with the price of tea sold wholesale?—The retail prices, as compared with the wholesale prices in Holland, show a very great difference in the low qualities, but in the higher qualities the retail prices differ but little from the wholesale prices. In the lower qualities, of course, the shopkeeper, whose profits are very great, is obliged to allow of its being apparent than he is making 50 per cent. profit, because he can mix no tea of an inferior price with that which is of the lowest quality; but in the higher price of tea, he invariably sells at nearly the prices which he buys at wholesale, because he mixes inferior teas with those superior qualities, and because he has a considerable profit in the allowance of draft and tare upon the purchase of them; but bohea tea, of which the prices are at 8*d.* and 10*d.* wholesale, is about 16 stivers a pound retail, 1*s.* 2½*d.* per English pound.

3555*a.* Have you any information with respect to the proportion which the retail price in Holland bears to the wholesale price in England?—The letter I have produced states 42 stivers to be the retail price in Holland of tea, which was stated to be worth 50*d.* English wholesale. Now, the difference between 50*d.* per pound, the English wholesale price, and 42 stivers, the Dutch retail price, is equal to 32 per cent.

3556*a.* Does either of the prices you have stated include the duty?—I have left out the amount of duty in both cases; the retail dealer's profits are included in the Dutch price.

3557*a.* Are the prices you have named as existing at Rotterdam the wholesale prices, including the profit of the retail dealer?—For a single quarter-chest.

3558*a.* And the prices in this country are the wholesale prices as they exist at the India-House for large quantities?—For a lot, I presume. I am not aware of the previous correspondence that passed between the parties in this case; but a few chests only could have been wanted.

3559*a*. You have stated the duty to be from five-eighths of a penny to 4*d*. and five-eighths; and in the wholesale price you have given of the different qualities of tea, you have reckoned the duty paid: can you state what difference it would have made if you had taken off the duty in those different cases?—It is matter of calculation and could be easily ascertained, as it depends upon the quality of the several sorts of tea. 23 Mar. 1830. — H. W. Masterson, Esq.

3560*a*. Are the Committee to understand that in calculating the price, including the duty, you are to deduct five-eighths of a penny from the lowest quality, and 4*d*. and five-eighths from the highest?—You may take it as a general rule to deduct 4*d*. and five-eighths from the highest quality without exception; but the duties upon the lower depend upon the nature of the importation, whether by Dutch or foreign vessels.

3561*a*. Can you describe the character and constitution of the trading company in Holland?—The company was established in 1824, for trade to all parts of the world, with a view to promote the trade of the country generally, and Netherland manufactures particularly. The capital originally amounted to 37,000,000 guilders, that is, about £3,000,000 sterling; it has been reduced to 27,000,000 guilders.

3562*a*. Has that reduction been occasioned by losses in trade?—I believe it has been reduced by losses considerably more than that; but they have reduced their nominal capital to that extent, by buying up some of their bonds in the market.

3563*a*. Do they trade very extensively?—They commenced trading to all parts of the world; but they have found it unprofitable in most branches, and they have restricted themselves to a few at present.

3564*a*. Has their trade in tea been a losing or a gainful concern?—It has been a favourite object, particularly with the King of the Netherlands, that the Dutch should import teas themselves under the Dutch flag, and with that view they have persevered in the trade. Since 1825 they have imported about 100,000 quarter-chests, and they are understood to have lost about 25 tonnes of guilders by it; that is, about £200,000 in the tea-trade.

3565*a*. How much per cent. is that upon the capital employed?—To answer that it would be necessary to ascertain what the 100,000 chests cost. Suppose we took it at 30 stivers per pound upon the average, it would bring the value to £800,000, and the loss would be about 25 per cent. upon the trade with China. In this year (1830) they send no ships to China; and it is generally understood in Holland that they will be guided in doing so again or not by the decision which England may come to with respect to English merchants being permitted to interfere

23 Mar. 1830. in the trade to Holland in tea. In the event of their being so permitted, it is said the company will not persist in it.

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3566*a*. Supposing the tea-trade to be thrown open to English merchants, do you imagine that the Dutch company will continue the trade or not?—It is reported by persons who state that they have it from the Directors themselves, that the company are induced to lie by this year, to see what is the result of the present inquiry here; that they have struggled to great disadvantage against the Americans, but that in the event of British merchants being enabled to enter on the trade, they will give up all hopes of continuing it.

3567*a*. Is it understood what are the grounds on which that disadvantage exists of carrying on the trade in Holland?—It is understood in Holland to be caused by their having nothing of any value to export to China.

3568*a*. Is it conceived, then, that the result of an open trade between England and China would be to lower the price of teas in Europe?—It is no doubt the opinion in Holland that as the company cannot compete with the Americans, who have a free trade, they would be still less able to do so with the English, who probably, for the sake of merely obtaining remittances for their exports from Hindoostan to China, if not for their exportations, manufacturers from England would be able considerably to undersell the Americans. The Dutch, as well as the merchants of other nations, have latterly given up the hope of importing teas or colonial produce to any profit upon the cost prices, and are aware that they can merely import to advantage as remittances for exports.

3569*a*. Is not the Dutch Company limited in its exportations to the manufactures of Belgium?—They have exported from Holland very little latterly to China, and hardly any Netherland manufactures; they have even sent rice to China from Java. With the permission of the Committee, I will read an extract from a discourse of M. Schimmelpennick, the president of the Dutch Trading Company. In addressing the Commissioners in June 1828, he says: "Le résultât de nos expéditions pour Canton en 1826, qui ont été réalisées en parti durant le cours de l'année 1827, vous sera détaillé dans les pièces jointes au bilan. Vous y observerez, Messieurs, que, quoique ces dernières expéditions se soient lisées avec beaucoup moins de perte que les précédentes, ce commerce, si particulièrement enjoint à la direction, lui a de nouveau couté des sacrifices trop grands pour, qu'à la longue, elle puisse se trouver autorisée à y exposer la société."

3570*a*. Are not the Dutch Company obliged to export Belgian manufactures?—It has been proposed to them, as I understand, to follow the American plan, and to export English manufactures; but they are not able, by the constitution of their

establishment, to do so; they are restricted to their own manufactures. 23 Mar. 1830.

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3571a. Supposing they were allowed to export British manufactures to China, do you not conceive that they might carry on the China trade with a greater prospect of advantage than they can do now, being restricted to the export of Belgian manufactures?—There seems to be no doubt of it, since the Americans carry on the trade; and it is understood in Holland that the Americans are only enabled to bring tea to Holland at the present prices, by the manufactures they import to China. The Dutch are aware that the English, of course, could export their own manufactures to as great advantage as the Americans; but they suppose, also, that many of the English East-India houses have great funds always lying at Canton, for which they are anxious to find remittances, and are heedless whether the goods they invest them in sell for cost-price or not, so long as they get a good return of the profits already realized by their Indian trade to China, which the funds lying there represent; upon which principle trade, in all colonial produce, has been carrying on for a considerable time.

3572a. Would the English merchants have a considerable advantage in carrying on that trade, inasmuch as it is England which produces the article most in requisition in the China market?—It is understood so in Holland; and that they have that further advantage in the exports of raw cotton and other goods that go to China from Hindoostan.

3573a. Are the Dutch Trading Company prohibited from sending manufactures of other countries besides England?—They are; the society was established for the encouragement of Dutch trade and manufactures.

3574a. Supposing the trade between England and China to be thrown open, are you not of opinion that a considerable proportion of the whole tea trade of the world would centre in England?—My own opinion, and the opinion of most people in Holland is, that if the Dutch government were not excited by any particular jealousy of England; that is, if they allowed the English to remain upon the same footing as the Americans now are, that both the Americans and the Dutch would cease to supply Holland with tea, and the whole supply of Holland, whatever that is, would be furnished by British merchants.

3575a. Should you not say that the chief supply of the Continent of Europe would go through this country?—I should suppose so.

3576a. Do you know whether it is probable that any portion of the tea consumed in the United States of America would, under those circumstances, be first sent to this country?—I should not wish to give an opinion upon that. I have no sufficient information upon that subject.

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3577*a*. Are there any private merchants carrying on the tea trade in Holland at this moment?—The history of the tea trade in Holland, since the expulsion of the French in 1814, is as follows: In 1815 a monopoly of the trade was granted to a Dutch company, "to prevent," as the preamble of the royal decree stated, "the trade falling into the hands of foreigners." In 1817 that company was dissolved. In 1818, when the table I have given in commences, the Americans took the lead in the trade. In 1822 an alteration in the duty was made, to favour the importation by national vessels. In 1825 the Trading Company entered on it; and in 1826 Dutch importations again became considerable, but were still unprofitable, and were again abandoned by private Dutch merchants, but have been continued by the Company till now, when the Dutch altogether have abandoned it.

3578*a*. Are you aware of a large quantity of tea being purchased at the East-India House in London, and exported to Holland in the year 1814?—I have no knowledge of it. I was not in Holland at that time; I went there first in 1815.

3579*a*. Do not the Dutch Company at the present moment pay very large freights?—The last freights of the Dutch Company were 310 guilders per last of 21 quarter-chests, and 15 per cent primage; that would amount, at 66 English pounds per quarter-chest, to about 5*d*. per pound English, but it is subject to the deduction of any outward freights they can make for the ships.

3580*a*. Can you state what is the expense of navigating their ships, as compared with ours?—I have no means at hand of establishing an accurate comparison.

3581*a*. Supposing the Dutch Company to carry on that trade, and not to have manufactures that they can export, would not almost the whole of the freight fall upon the tea?—Clearly.

3582*a*. In the case of a trade carried on by private individuals, is it or not the fact that at the present moment a great portion of the freight upon an article imported, such as tea, would fall upon the manufactured goods which were exported from the country into which the tea was to be imported?—Undoubtedly the manufactured and exported article must yield profits sufficiently large to pay the freight charges, and the difference between the cost price and the selling price of the article, which appears to be the case by the American trade.

3583*a*. So that the tea imported under those circumstances would only be a means of remittance?—A means of realizing the profit to be made upon exports, which is the case at present, and has been the case for some time past, with coffee and almost every other imported article.

3584*a*. How many months' consumption of tea is there com-

monly in Holland?—Never more than a year's. At this moment we have probably, of stocks openly known, three-quarters of a year's consumption; but there are many private speculators who hold old teas, which may complete the stock to a year's consumption. The Americans never hold stocks. There is not 1,500 quarter-chests of American tea in Holland.

3585*a*. Is not the fresh tea better than that which has been kept for some time?—So much so, that the American cargoes that come indirectly from America, are on that account not of so current sale as those imported direct from China.

3586*a*. Have you ever heard of any tea grown in the Brazils being sold in the Dutch market?—I never heard of any being sold in the Dutch market; but I have had it reported to me by a broker, that he had seen black tea grown in the Brazils, which was equal in flavour to any that came from China. The tea-taster of the Dutch Trading Company at Canton was employed to examine the tea attempted to be cultivated in Java, and he found it to be worthless, and the gardens were rooted up; but the broker alluded to reported to me, that the sample sent to him of the tea growing in the Brazils was excellent, and he wished through me to get information relative to the further cultivation of this tea, but I have had no means of informing myself further on the subject.

3587*a*. Is not it cultivated by Chinese in both places?—I presume it is.

3588*a*. Do you know whether it is cultivated to any large extent in the Brazils?—I do not know.

3589*a*. Have you ever seen any of the tea brought to Russia?—The house I belong to was induced to order samples of tea from Moscow, a twelvemonth ago, with a view of seeing whether it would answer in Holland; but the teas which were sent from Moscow appeared to be of a different growth, and different quality entirely from the teas we are used to in this part of the world, and were not at all suited to the Dutch taste.

3590*a*. Do you know what part of China it came from?—No; but I should presume, from the geographical position of Russia, that it came from the opposite extremity of the Chinese empire to that from which we obtain our supply. We obtained from a correspondent at Moscow the samples in question, and the tea was very fine to look at, but it had a totally different taste to what we are used to.

3591*a*. Do you conceive that that tea is suited to the European consumption?—It would not do for us at all in Holland, and certainly our tea is much the same as yours.

3592*a*. Does not the difficulty in supplying an outward cargo from Holland materially enhance the price of importation?—Certainly.

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3593*a*. Would not the economy arising from the existence of a facility in supplying an outward cargo reduce, in an extraordinary degree, the expense of importing tea?—Certainly.

3594*a*. Are dollars easily procurable in Holland?—Without difficulty; but generally from England. When we have had occasion to send out dollars we have procured them from England.

3595*a*. In what proportion do dollars supply the means of importation for tea?—The greater part, when the trade was in the hands of private merchants; as to the Company, I cannot say.

3596*a*. Are you able to form a comparison between the rate of Dutch freight and the rate of American freight?—I am not able to speak of it from my own knowledge, but I believe it to be much lower than the Dutch; the general impression is, that it is much lower.

3597*a*. What sized ships do the Dutch employ generally?—Generally vessels from 400 to 500 tons.

3598*a*. Are they, in your estimation, preferable to the largest class of vessels of 1200 tons, used by this country?—I cannot say, from my own knowledge; but the Dutch use the smaller vessels because the larger are not suited to their rivers.

3599*a*. What crew would a 400-ton Dutch vessel be manned by?—Twenty or twenty-two.

3600*a*. Do you know the rate of insurance out and home?—It is principally done here. I believe it has been rather high, the Dutch Indiamen having had a bad character; the English underwriters have suffered by them.

3601*a*. Do you know what the rate of insurance has been?—Six guineas, I believe.

3602*a*. Are they armed vessels?—No.

3603*a*. How do you account for the diminution that has taken place in the importation into the Netherlands since 1818, as it appears that in the year 1818 it was about 90,000 quarter-chests, and the importation then was considerably larger than it has been subsequently?—If they had gone on importing at that rate, of 90,000 chests in a year, it is evident that they should have had too great a stock. The import on the whole has been so as to leave on an average of the last twelve years, not more than a single year's stock; but if it had been going on at the high rate at which it was in 1818, when the Americans imported 53,000 quarter-chests, we should have had much too large a supply.

3604*a*. Does the Dutch Trading Company possess exclusive privileges?—The principle upon which it originally went was that of possessing exclusive privileges. The establishment of a company of that kind would have been offensive to people whose predilections, the result of ancient habits, were all in favour of a free trade.

3605*a*. Do not they receive some tea from this country in Holland?—I am not aware of it. 23 Mar. 1830.

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3606*a*. Are you aware whether there is any smuggling of tea from Holland to this country?—I should think not; for this reason: I presume that the measures taken on this side are too effective to admit of it; and we observe, on our side, that the smuggling towns of Terveer and Flushing are going to decay, and that smuggling to England in all articles seems to be falling off.

3607*a*. Can you state whether the stock of the Dutch Company was at any time at a premium?—It was, soon after its establishment, at 105. It opened at 100; and it has been down to 79 at the lowest. It is now about 94½.

3608*a*. Is it conceived, amongst the merchants in Holland, that a company so established is the best means by which trade can be carried on?—The establishment of the company altogether is offensive almost to the whole of the people in Holland. They were led to suppose that their manufactures would flourish with the support of that company: but it does not appear that the company have been able to force their manufactures into use abroad; and they have lost a very considerable sum, the amount of which remains yet to be known. The dividend or interest does not afford any criterion of it: that has been always the same, and it is guaranteed by the King.

3609*a*. Are you aware whether the operations of that company have interfered with the regular trade of Holland?—It is considered nearly to have ruined the trade in almost every branch it has meddled with.

3610*a*. Do you consider that the operations of such a company are, upon general principles, exceedingly injurious to the conduct of mercantile transactions?—It is the opinion of the merchants of Holland, generally, that the dissolution of the company would be one of the greatest benefits they could receive; and as the company is daily suffering great losses, hopes are entertained, even by those who are shareholders, that it will not be continued until the expiration of the term originally fixed for its existence, but that it will be dissolved earlier.

3611*a*. Do you know what sum the government pays to make up the deficit?—I have never heard it mentioned, and I believe it is not known. I do not believe there are any means of ascertaining it. The King has guaranteed that 4½ per cent shall be paid, and the shareholders are secure of that annuity; but at the end of the term for which the company is established, it is feared that the losses will have absorbed the whole capital.

3612*a*. How old is that guarantee?—The original guarantee was given in 1824, and it has been faithfully fulfilled; but pri-

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vileges are given to the company which were never anticipated in the first instance. The government, naturally, to reduce this outlay of interest, gives advantages to the company.

3613*a*. Is not the deficit made good out of the King's own private funds?—His Majesty guarantees it; where the money comes from I have not the means of knowing.

3614*a*. Does it appear in the budget in Holland?—No.

3615*a*. Does any apprehension exist that the government will be tired of making up this deficit?—Great hopes of it are entertained; it has been the only hope that the general trade has entertained for a long time.

3616*a*. For how many years is the guarantee?—For the whole term, I believe, twenty-four or twenty-five years.

3617*a*. Is not the King a large shareholder in the company? —He is.

3618*a*. Have this company any territorial revenue to back them?—Nothing of that kind. They were to be merely upon the footing of ordinary merchants; but they have had great advantages given to them: the government coffee has been given to them at a fixed price, which price was, of course, intended to be very advantageous to them; that is, the coffee which belongs to the government estates in Java.

3619*a*. Is there any monopoly in coffee?—There is coffee which is deliverable only to the government officers; and instead of selling it themselves in the public market, they give it to the company at a certain price.

3620*a*. Is there any law or regulation in Holland to prevent private adventurers sending ships to China and receiving back returns?—Not any.

3621*a*. Is it within your knowledge whether any such adventures have taken place?—Frequently, up to 1825: I think private merchants then abandoned the trade entirely. The house I have to do with imported a cargo in 1822.

3622*a*. What was the general result of those private adventures?—Loss.

3623*a*. To what extent?—I cannot say.

3624*a*. Was it 25 per cent.?—Judging by the other results alluded to, I should suppose it might be. Our own loss was not any thing like that; it was not an original adventure to China, but the supercargo took the ship there. The teas turned out pretty well, but not so as to induce us to go out again.

3625*a*. Can you inform the Committee whether such trade of private adventurers has been profitable or otherwise?—Certainly unprofitable.

3626*a*. What are the exports to Java?—Wine, Dutch claret.

gin, &c., but the quantities trifling. It is a misfortune that we have so little of our own goods to export; and if there were not troops to export, we should not be able to find any freight outwards; the only hope for the ship-owner is to get a hundred men as freight for a vessel to Java. 23 Mar. 1830. H. W. Masterson, Esq.

3627*a*. Is there any regulation in Holland which would prevent the trade to China being carried on by private Dutch merchants in the same manner as it is now done by Americans; that is to say, by sending their ships to a port of England, loading them with British manufactures, and carrying them on to China?—There is none; private adventurers might do that, undoubtedly.

3628*a*. Can you state why, this having been a profitable trade in the hands of the Americans, it might not continue to be so in the hands of the Dutch?—It might undoubtedly be so, I should suppose. It is a singular spectacle to see the Americans do that which the Dutch have the same means of doing, if they had the same enterprize and ability for the trade.

3629*a*. Do you not conceive that the Americans succeed in the trade from their being able to buy English manufactures for exportation to China, and that the Dutch fail because they have not permission to do the same?—I certainly conceive that the Americans succeed for that reason, when put into competition with the Dutch company, which cannot buy English manufactures; but there is no reason why the Dutch private adventurers should not carry on a trade in the same way as the Americans, excepting the want of enterprize.

3630*a*. Is not there much more energy in the American character than in the Dutch character?—I believe that is a fact which is historically recognized.

3631*a*. Whereas the Dutch used formerly to have a large share of the carrying trade of the world, is not it the fact at present that the trade has fallen into the hands of the English and the Americans?—The Dutch trade has fallen off altogether.

3632*a*. Is it considered that the interference of the King of the Netherlands as a private merchant is prejudicial to the commercial interests of the country?—It is deprecated by the whole nation.

3633*a*. Is it to be understood that the injury which has been done to the Dutch trade by the Dutch Trading Company has been in consequence of their great command of capital, or in consequence of their exclusive privileges?—From both; from the government favouring them, giving them the preference of government freights and the preference of their contracts, and from their great command of capital, coming into the market with such large quantities of goods, with sales, for instance, of

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100,000 bags of coffee at once, and telling the trade that there will be such sales at regular times, in autumn and in spring, so that the private merchants have little chance with the buyers in the meantime, and the company also trading at a loss to themselves.

3634*a*. Do you conceive that regular sales of that description, of a very large amount of goods, are injurious to the trading concerns of the country in that particular article?—It has interfered with the private trade of individual merchants in Holland.

3635*a*. Does not such a system tend, at one period, to depress prices unnaturally, and at another time to raise them unnaturally?—It prevents the holders of small quantities of property from making sales: buyers of course waiting till the larger quantities come into the market, there is an inactivity in the market till the larger sales come on.

3636*a*. Has it a tendency to derange commercial speculation?—It has appeared so in Holland.

3637*a*. Do the Dutch Company sell their teas by auction?—They sell their teas by auction, and at fixed periods, as they do other goods, in spring and autumn; their spring sale is now taking place; they have put up two cargoes this spring, 17,000 quarter-chests three or four days ago.

3638*a*. Does much remain unsold at those auctions?—Generally not; the company have a habit, however, of buying in. The general traders would prefer that, as they have fixed sales, they should sell outright all they put up; they think it is more injurious for them to sell a portion, and then keep back the rest.

3639*a*. Is there any fixed rate of advance in the bidding at the auction?—No.

3640*a*. Do you conceive that the Netherlands would derive any advantage, if a complete monopoly of the supply of tea to that country were given to the Dutch Company?—They would have the prices considerably augmented; it would be of advantage to the company only.

3641*a*. Would it be of advantage to the consumers in Holland?—Certainly not. They get it cheaper from the competition of the Americans; and they imagine that they would get it cheaper still from that of the English, on account of the funds which the English have lying at Canton, seeking remittances.

3642*a*. What is the nature of the auction in Holland by which it is sold?—The Trading Company sell in lots of twenty quarter-chests.

3643*a*. Is the bidding by the fall or by the rise?—By the rise.

The Trading Company have introduced new conditions of trade, which are not agreeable to private merchants. 23 Mar. 1830. H. W. Masterson, Esq.

3644*a*. Are they bound by law to put up their teas at the cost price?—They are not bound to any thing of that nature.

3645*a*. Have you had much means of communication with persons who have been to China?—Of course I have in Holland, with English and others.

3646*a*. Have you ever heard them express any opinion as to the difficulty of transacting business in the port of Canton?—I never heard of the Dutch meeting with any difficulty. The English whom I have seen, who were acquainted with Canton, have been gentlemen from Java chiefly, not trading to Canton particularly; but I never heard from the Dutch of their meeting with any difficulty. I am informed by the gentleman whose brother is the tea-taster to the Dutch Company that at first they did not get such good teas as the Americans, but that they can now get equally good teas with the Americans.

3647*a*. Have they any establishment at Canton now?—They send their tea-taster there when they send their ships out, otherwise they take him back again to Java during the interval that the ships are away.

3648*a*. Have they any consul or factory there?—I am not informed. I should think not, since they take the individual mentioned back to Java each season.

3649*a*. Do you know the average number of months that it takes to go from Holland to Canton?—They generally reckon that the ships that go one year come back the next; that is, as they send no ships this year, that there will be no Dutch tea next year.

Jovis, 25° *die Martii*, 1830.

JOHN CRAWFURD, Esq. called in, and examined.

3650*a*. You are residing here at present as agent to certain parties at Calcutta?—I was appointed agent to the inhabitants of Calcutta without solicitation: I am now fulfilling my duty as their parliamentary agent. 25 Mar. 1830. John Crawfurd, Esq.

3651*a*. Is there a salary attached to it?—There is a very handsome one.

3652*a*. To what amount?—£1,500 a year, besides extra expenses, which I do not draw. I think the salary too much, and I have proposed to my constituents that it should be reduced.

3653*a*. Had they previously had a parliamentary agent in this country?—They never had: I am the first.

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3654*a*. Is that appointment exclusive of the question now depending before the House of Commons?—It has no view to the mercantile pursuits of my constituents; it is for political questions only.

3655*a*. Do you represent the residents of Calcutta for any thing that you think affects their interests?—I represent the inhabitants of Calcutta generally, whether Europeans or natives.

3656*a*. What number of inhabitants have authorized you to act as their agent?—The majority.

3657*a*. Do you mean about 300,000 people?—When I say the majority of the inhabitants of Calcutta, I wish to be understood as having stated the majority of those who thought proper to express their opinions, having had an opportunity of doing so. With respect to having stated that it was a majority of half a million of people, or any such number, I never thought of saying so.

3658*a*. Are the Committee to understand that you were appointed by a majority of the inhabitants of Calcutta, as agent for them in any matters that might concern their political interests in India, and not as regarded the trade between England and China?—I have no recollection whatever of any mention being made in my instructions, public or confidential, of the China question; but I have no doubt that the China question is also embraced in them, and I will state my reason for saying so. There has been sent to me a printed requisition to the sheriff of Calcutta, to which I think there are 116 signatures of persons of all parties, requesting that a meeting might be called for the purpose of petitioning both Houses of Parliament to remove all restrictions from the India and China trade. The petitions, in all probability, will soon be sent to me, and I shall then act as the agent of the inhabitants of Calcutta, as far as regards the China trade as well as the Indian trade.

3659*a*. What is the date of that requisition?—To the best of my recollection the 29th of November; the meeting is called for the 15th of December. Of course, there can be no account of such a meeting yet, as the ship that brought this account had an unusually rapid passage.

3660*a*. Were your instructions transmitted to you, or did you receive them at Calcutta?—They were transmitted to me long after I left Calcutta. I beg again, with great respect, to assure the Committee that I have no object whatever in concealment; I wish that every thing should be known that I am concerned in.

3661*a*. You have resided in different parts of the east?—I resided in various parts of the east for about nineteen years.

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3662*a*. Will you state where?—In the Upper Provinces of the Bengal Presidency for about five years, in Calcutta for a time, probably in all amounting to about one year; in Prince of Wales's Island or Penang about three years, and in Java about six years. I went on a mission afterwards to Siam and Cochin China, which occupied something more than one year. I resided next as a resident of Sincapore about three years; and from thence I proceeded to the Burman country. I was appointed commissioner by the Governor-general in the Burman territory; I went afterwards as envoy from the Governor-general to the court of Ava; after which I returned to Calcutta, and eventually to Europe.

3663*a*. Have not you visited some of the other islands?—I visited some of the other islands, but never resided in them; I visited the islands of Bali and Celebes.

3664*a*. Have you ever been in China?—I have not.

3665*a*. Have you had much intercourse with the Chinese settlers in the countries adjacent?—I have.

3666*a*. Where were they residing?—They reside in almost every country that is adjacent to China.

3667*a*. Had you an opportunity of seeing them in those places?—I had an opportunity of seeing them in Prince of Wales's Island, Java, Sincapore, Siam, Cochin China, and a few in the Burman country during my mission to the court of Ava.

3668*a*. Can you furnish the Committee with any history of the Chinese emigrants settled in the neighbourhood of China, and an account of the nature of their emigrations?—I drew up a statement of that description, which I have here.

3669*a*. What do you make the number of Chinese emigrants settled in the countries adjacent to China?—The estimate is a very rough one of course, from the very nature of the subject. I make them between 700,000 and 800,000. The greater number of them are settled in Siam and Cochin China, not in the islands.

3670*a*. From your intercourse with those Chinese, do you conceive them to be an intelligent, active, and commercial people?—Eminently so. They are a very industrious people in every way; they are a business-like people; their manners more resemble Europeans in that part of their character than they do those of Asiatic nations.

3671*a*. In industry and intelligence do you conceive them to be superior to other Asiatic nations?—For all useful and practical purposes I think they are. There are perhaps a few points in which they are inferior to one or two other Asiatic nations, but those points are of very little moment.

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3672*a*. Have you prepared a Statement for the information of the Committee upon the subject of the Chinese emigrations? —I have.

3673*a*. Will you have the goodness to read it?

[*The witness read the same, as follows:*]

"A View of the Emigrations of the Chinese to the various Countries adjacent to China."

"The emigrations of the Chinese take place from the same provinces which conduct the foreign trade, *viz.* Canton, Fokein, Che-kien, and Kiannan. Emigrations from the two latter, however, are not frequent, and seem to be confined to Tonquin and the Philippine Islands. The emigrants direct their course to every country in the neighbourhood of China where there is any probability of finding employment and protection; in some countries, however, they are excluded or restrained from political motives, and in others distance or want of room affords them no encouragement to settle. Like the European nations, they are excluded altogether from settling in Japan on political grounds; the government of Cochin China also affords them no great encouragement, from the same reason; and the Dutch and Spanish governments of Java and the Philippines have always looked upon them with a considerable share of suspicion. Distance, but above all the existence of a dense and comparatively industrious population, excludes them from the British dominions in Hindustan, where we find only a few shoemakers and other artisans, and these confined to the towns of Calcutta, Madras, and Bombay. A few, I understand, have lately proceeded to the Mauritius.

"Every emigrant who leaves China does so with the intention of returning to it, although comparatively few are able to accomplish this object. The expense of emigration to the countries to which the Chinese usually resort amounts but to a mere trifle. The passage-money in a Chinese junk from Canton to Sincapore is but six Spanish dollars; and from Fokien but nine. Even these slender sums, however, are commonly paid from the fruits of the emigrant's labour on his arrival, and are seldom paid in advance. The emigrants, I think, are invariably of the labouring classes; and their whole equipment for the voyage, in ordinary cases, consists of little else than the coat on their backs, a bundle of old clothes, and a dirty mat and pillow to sleep on. They no sooner land than their condition is prodigiously improved: they meet their countrymen, and probably their friends or relatives; they find immediate employment in a congenial climate, and in countries where the wages of labour are perhaps three times as high as in China, and the necessaries of life perhaps by one-half cheaper.

"The Chinese are not only intellectually, but physically, superior to the nations and tribes among whom they settle. A Chinese is at least two inches taller than a Siamese, and by three inches taller than a Cochin Chinese, a Malay, or a Javanese, and his frame is proportionally strong and well built. Their superiority in personal skill, dexterity, and ingenuity, are still greater. All this is evinced in a very satisfactory manner, by the simple criterion of the com-

parative rates of wages of the different classes of inhabitants or sojourners at any given place where they all meet. At Sincapore, for example, the wages of ordinary labour for the different classes of labourers are as follow: a Chinese, eight dollars a month; a native of the Coromandel coast, six dollars; and a Malay, four: making the work of the Chinese by one-third better than that of the first, and by 100 per cent. better than that of the second. When skill and dexterity are implied, the difference is of course wider; a Chinese house-carpenter will earn twelve dollars a month, while an Indian will earn no more than seven, and a Malayan thatcher or wood-cutter (for among this class there are no carpenters), but five.

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" The different classes of Chinese settlers not only live apart and keep distinct from the settlers of other nations, but also from each other. There is a very wide difference between the character, habits, and manners of the Chinese settlers, according to the parts of China from which they proceed. The natives of Fokien have a claim to a higher tone of character than any of the rest. Among the emigrants from the province of Canton there are three classes, *viz.* those from the town of Canton and its neighbourhood; the natives of Macao and other islands in the river; and the natives of some mountainous districts of the same province. The first of these, besides being addicted to mercantile pursuits, are the best artisans, and are much disposed to enter into mining speculations. It is they who are chiefly engaged in working the silver-mines of Tonquin, the gold-mines of Borneo and the Malay peninsula, and the tin-mines of the latter country and of Banca. The Chinese of Macao and the other islands are held in very little repute among the rest of their countrymen; but the third class, who are numerous, are the lowest in rank. Their most frequent employment is that of fishermen and mariners; and it is from among their ranks that European shipping, when in want, have occasionally received hands to assist in their navigation. Of all the Chinese these are the most noisy and unruly. There is still another class of Chinese, the settlers in the Burman dominions, who differ very remarkably from all that I have just enumerated. With the exception of a small number of emigrants from the province of Canton, who find their way to Ava by sea, these are all from the province of Yunan; and in point of industry and intelligence seemed, as far as I could judge, much inferior to the colonists from Canton and Fokien. From all these again, the mixed races are to be distinguished by their superior knowledge of the language, manners, and customs of the countries in which they reside, and by some inferiority in industry and enterprize. It is from this class that European merchants are supplied with brokers, money-counters, &c., and they are seldom to be seen in the condition of day-labourers or artisans. The Chinese settlers, of whatever class, engage with much eagerness in agricultural employments; seldom, however, when they can avoid it, as mere day-labourers. They conduct almost exclusively the cultivation and manufacture of the catechu or terra japonica in the Straits of Malacca, the pepper cultivation of Siam, and the culture of the cane and manufacture of sugar in Java, Siam, and the Philippines. Differing materially from each other in manners, habits, and almost always in language or dialect, and entertaining towards

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each other provincial prejudices and antipathies, broils and quarrels, sometimes even attended with bloodshed, frequently break out among them. These are occasionally subjects of embarrassment in the European settlements, the authorities of which have never, I am persuaded, any thing to apprehend from their combination or resistance; and I may add, that of all the Asiatic settlers in our eastern settlements, the Chinese are the most obedient to the laws, and notwithstanding the superior amount of their property, and even of their numbers, afford the least employment to the courts of justice. The Chinese population settled in the various countries adjacent to China, may be roughly estimated as follows:—

The Philippine Islands	15,000
Borneo	120,000
Java	45,000
The Dutch settlement of Rhio, Straits of Malacca...	18,000
Sincapore	6,2000
Malacca	2,000
Penang	8,500
Malayan Peninsula	40,000
Siam	440,000
Cochin China	15,000
Tonquin	25,000
Total	734,700

"The population mentioned here is of a peculiar description, consisting, for the most part, of adult males, and of very few women or children, a circumstance easily explained. The laws of China, which prohibit emigration in general, are a dead letter as far as the men are concerned; but it is imperative in respect to women and children; or perhaps, more strictly, the manners and feelings the of the people themselves prevent the latter from quitting the country. I have never seen or heard a female amongst emigrants; and never saw a Chinese woman, except at Hué, the capital of Cochin China, where two or three were pointed out to me as objects of curiosity, who had been kidnapped and brought there when children. The emigrants, however, without scruple, form connexions with the females of the country; and the descendants of these repeatedly intermarrying with Chinese, are in time not to be distinguished from the genuine Chinese, either in features or complexion. In all the countries where the Chinese have been long established, there exists a considerable creole population of this description, such as in Java, Siam, Cochin China, and the Philippines. But in countries where they have been only recently established, the disproportion of the sexes is immense. Thus, out of the 6,200 Chinese inhabitants of Sincapore, the number of females is but 360, and even of these the greater part are Chinese only by name. The extent of the annual emigrations from China may be judged of from the fact, that the number which arrived at Sincapore in 1825 amounted to above 3,500, and in 1826 to upwards of 5,500. The annual number of emigrants which arrive in Siam was rated to me when I was in that country at 7,000. A single junk has been known to bring 1,200 passengers; indeed, I have myself seen one bring 900

to Sincapore. The number who return to China is considerable, but very small indeed in comparison to the arrivals. Even of these the greater number come back again; and I have known men of property, who have visited China and returned with titles." 25 Mar. 1830. — John Crawfurd, Esq.

3674*a*. Have you that kind of communication and conversations with the Chinese, in any of the different parts where you have met them, as to be able to form any opinion how far the Chinese in their own country are to be considered a commercial people? —Upon that subject, never having been in China, I can offer no decided opinion; but my conviction is, that there is very little difference between them; and the emigrants I should probably, upon the whole, be disposed to think would be found superior to those they left behind them, as the most active spirits chiefly would go abroad. No man leaves China but an able-bodied man, and no man that has not a certain portion of spirit and enterprize will quit the country.

3675*a*. Have you any means of furnishing the Committee with a view of the foreign trade of China carried on in junks?—I have also prepared a statement upon that subject. I beg to say, with respect to this and the other statement I gave in, that they are entirely the result of my own personal inquiry, chiefly derived from the Chinese themselves. I communicated with them through the medium of the Malay language, which I understand tolerably well. I was in the habit of always employing a couple of interpreters when I was resident at Sincapore, and when the Chinese commanders of vessels and others, not understanding the Malay language, called upon me, I transacted business with them generally through the medium of these persons. Chinese who reside any time in the Malayan countries, commonly make themselves in some measure acquainted with the Malay language, and there is no great difficulty in communicating with these without the aid of an interpreter.

3676*a*. Will you have the goodness to read the statement you have prepared on this subject.

[*The witness read the same, as follows:*]

"NATIVE FOREIGN TRADE OF CHINA.

"The principal part of the junk trade is carried on by the four contiguous provinces of Canton, Fokien, Chekiang, and Kiannan. No foreign trade is permitted with the island of Formosa, and I have no means of describing the extent of the traffic which may be conducted between China, Corea, and the Luchew Islands. The following are the countries with which China carries on trade in junks, *viz.* Japan, the Philippines, the Sooloo Islands, Celebes, the Moluccas, Borneo, Java, Sumatra, Sincapore, Rhio, the east coast of the Malayan Peninsula, Siam, Cochin China, Cambodia, and Tonquin. The ports of China at which this trade is conducted are

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Canton, Tchao-tcheou, Nomhong, Hoei-tcheon, Su-heng, Kong-moon, Changlim, and Hainan, in the province of Canton; Amoy and Chinchew, in the province of Fokien; Ningpo and Siang-hai, in the province of Tchekian; and Soutcheon, in the province of Kian-nan. The following may be looked upon as an approximation to the number of junks carrying on trade with the different places already enumerated, *viz.*

	Junks.
Japan, 10 junks, two voyages	20
Philippine Islands	13
Soo-loo Islands	4
Celebes	2
Borneo	13
Java	7
Sumatra	10
Sincapore	8
Rhio	1
East Coast of Malay Peninsula	6
Siam	89
Cochin China	20
Cambodia	9
Tonquin	20
Total	222

"This statement does not include a great number of small junks belonging to the island of Hainan, which carry on trade with Tonquin, Cochin China, Cambodia, Siam, and Sincapore. Those for Siam amount yearly to about fifty, and for the Cochin Chinese dominions to about forty-three; these alone would bring the total number of vessels carrying on a direct trade between China and foreign countries to 307. The trade with Japan is confined to the port of Ningpo, in Chekiang, and expressly limited to ten vessels; but as the distance from Nangasaki is a voyage of no more than four days, it is performed twice a year. With the exception of this branch of trade, the foreign intercourse of the two provinces of Chekian and Kiannan, which are famous for the production of raw silk, teas, and nankeens, is confined to the Phillipine Islands,* Tonquin, Cochin China, Cambodia, and Siam; and none of this class of vessels, that I am aware of, have ever found their way to their western parts of the Indian Archipelago. The number of these trading with Siam is twenty-four, all of considerable size; those trading with the Cochin Chinese dominions, sixteen, also of considerable size; and those trading with the Phillipines, five, making in all forty-five, of which the average burden does not fall short of 17,000 tons. I am the more particular in describing this branch of the Chinese commerce, as we do not ourselves, at present, partake of it, and as we possess no direct means of obtaining information in regard to it. All the junks carrying on this trade with

* *Note.*—The provinces once conducted a trade amongst the Sooloo Islands and Borneo Proper; but owing to the anarchy which has of late years prevailed in these countries, it seems to be at present abandoned.

Siam are owned in the latter country, and not in China, and I am not sure how far it may not also be so in the other cases. I do not doubt but that a similar commerce will, in the event of a free trade, extend to Sincapore, and that through this channel may eventually be obtained the green-teas of Kiannan, and the raw silks of Chekiang. 25 Mar. 1830. — *John Crawfurd, Esq.*

"Besides the junks now described there is another numerous class, which may be denominated the colonial shipping of the Chinese. Wherever the Chinese are settled in any numbers, junks of this description are to be found, such as in Java, Sumatra, the Straits of Malacca, &c.: but the largest commerce of this description is conducted from the Cochin Chinese dominions, but especially from Siam, where the number was estimated to me at 200. Several junks of this description from the latter country come annually to Sincapore, of which the burden is not less than from 300 to 400 tons.

"The junks which trade between China and the adjacent countries are some of them owned and built in China, but a considerable number also in the latter countries, particularly in Siam and Cochin China. Of those carrying on the Siamese trade, indeed, no less than eighty-one out of the eighty-nine, of considerable size, were represented to me as being built and owned in Siam. The small junks, however, carrying on the trade of Hainan, are all built and owned in China.

"The junks, whether colonial or trading direct with China, vary in burden from 2,000 peculs to 15,000, or carry of dead weight from about 120 to 900 tons. Of those of the last size I have only seen three or four, and these were at Siam, and the same which were commonly employed in carrying a mission and tribute yearly from Siam to Canton. Of the whole of the large class of junks, I should think the average burthen will not be overrated at 300 tons each, which would make the total tonnage employed in the native foreign trade of China between 60,000 and 70,000 tons, exclusive of the small junks of Hainan, which, estimated at 150 tons each, would make in all about 80,000 tons.

"The junks built in China are usually constructed of fir and other inferior woods. When they arrive in Cambodia, Siam, and the Malayan Islands, they commonly furnish themselves with masts, rudders, and wooden anchors, of the superior timber of these countries. The junks built in Siam are a superior class of vessels, the planks and upper works being invariably of teak. The cost of ship-building is highest at the port of Amoy in Fokien, and lowest in Siam. At these places, and at Chang-lim in Canton, the cost of a junk of 8,000 peculs, or 476 tons burthen, was stated to me, by several commanders of junks, to be as follows:

	Dollars.
At Siam	7,400
Chang-lim	16,000
Amoy	21,000

"A junk of the size just named has commonly a crew of ninety hands, consisting of the following officers, besides the crew; a commander, a pilot, an accountant, a captain of the helm, a captain of the anchor, and a captain of the hold. The commander

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receives no pay, but has the advantage of the cabin accommodation for passengers, reckoned, on the voyage between Canton and Sincapore, worth 150 Spanish dollars. He is also the agent of the owners, and receives a commission, commonly of 10 per cent. on *the profits* of such share of the adventure, generally a considerable one, in which they are concerned. The pilot receives for the voyage 200 dollars of wages, and 50 peculs of freight out and home. The helmsman has 15 peculs of freight, and no wages. The captains of the anchor and the hold have 9 peculs of freight each; and the seamen 7 peculs each. None of these have any wages. The officers and seamen of the colonial junks are differently rewarded. In a Siamese junk, for example, trading between the Siamese capital and Sincapore, of 6,000 peculs burthen, the commander and pilot had each 100 dollars for the voyage, with 12 peculs of freight a-piece. The accountant and helmsman had half of this allowance, and each seaman had 13 dollars, with 5 peculs of freight.

"The construction and outfit of a Chinese junk are too well known to require description. They are clumsy and awkward in the extreme. The Chinese are quite unacquainted with navigation, saving the knowledge of the compass; notwithstanding this, as their pilots are expert, as their voyages are short, and as they hardly ever sail except at the height of the monsoons, when a fair and steady seven or eight knot breeze carries them directly from port to port, the sea-risk is very small. During thirteen years' acquaintance with this branch of trade, I can recollect hearing of but four shipwrecks; and in all these instances the crews were saved.

"The construction and rigging of a Chinese junk may be looked upon as her proper registry, and they are a very effectual one; for the least deviation from them would subject her at once to foreign charges and to foreign duties, and to all kinds of suspicion. The colonial junks, which are of more commodious form and outfit, would, if visiting China, be subjected to the same duties as foreign vessels. Junks built in Siam, or any other adjacent country, if constructed and fitted out after the customary model, are admitted to trade to China upon the same terms as those built and owned in the country. If any part of the crew consist of Siamese, Cochin Chinese, or other foreigners, the latter are admitted only at the port of Canton; and if found in any other part of China would be seized and taken up by the police, exactly in the same manner as if they were Europeans. The native trade of China, conducted with foreign countries, is not a clandestine commerce, unacknowledged by the Chinese laws, but has in every case at least the express sanction of the viceroy or governor of the province, who on petition decides the number of junks that shall be allowed to engage in it, and even enumerates the articles which it shall be legal to export and import. At every port also, where such a foreign trade is sanctioned, there is a hong or body of security merchants, as at Canton; a fact which shows clearly enough that this institution is parcel of the laws or customs of China, and not a peculiar restraint imposed upon the intercourse with Europeans.

"The Chinese junks, properly constructed, pay no measurement

duty, and no cumshaw or present; duties, however, are paid upon goods exported and imported, which seem, however, to differ at the the different provinces. They are highest at Amoy, and lowest in the island of Hainan. The Chinese traders of Siam informed me that they carried on the fairest and easiest trade, subject to the fewest restrictions, in the ports of Ningpo and Sianghai in Chekiang, and Souchon in Kiannan. Great dexterity seems every where to be exercised by the Chinese in evading the duties. One practice, which is very often followed, will afford a good example of this. The coasting trade of China is nearly free from all duties and other imposts. The merchant takes advantage of this; and intending in reality to proceed to Siam or Cochin China, for example, clears a junk out for the island of Hainan, and thus avoids the payment of duties. When she returns she will lie four and five days off and on at the mouth of the port, until a regular bargain be made with the custom-house officers for the reduction of duties. The threat held out in such cases is to proceed to another port, and thus deprive the public officers of their customary perquisites. I was assured of the frequency of this practice by Chinese merchants of Cochin China, as well as by several commanders of junks at Sincapore. From the last-named persons I had another fact of some consequence, as connected with the Chinese trade, *viz.* that a good many of the junks carrying on trade with foreign ports to the westward of China, often proceeded on voyages to the northward in the same season. In this manner they stated that about twenty considerable junks, besides a great many small ones, proceeded annually from Canton to Souchon, one of the capitals of Kiannan, and in wealth and commerce the rival of Canton, where they sold about 200 chests of opium at an advance of 50 per cent. beyond the Canton prices. Another place where the Canton junks, to the number of five or six, repair annually, is Chinchew, in the province of Shanton, within the gulph of Pechely, or Yellow Sea, and as far north as the 37th degree of latitude.

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3677*a*. Do you mean to state, in a passage of the paper you have read, that the Chinese emigrants carry on the trade from Sincapore to Canton, notwithstanding any interdiction by edict that may exist?—What I meant to state was, that in the event of junks being properly constructed and manned, at Sincapore, for example, it would be of no consequence their being owned at Sincapore. They would, notwithstanding such circumstance, be allowed to trade freely with any port of China, in the same way as junks built and manned in China itself.

3678*a*. Then is it to be understood that the objection of the Chinese to foreign ships is rather to their form than to any thing else?—Yes.

3679*a*. And the nationality of the sailors?—Yes.

3680*a*. Can you furnish the Committee with the rates of freight paid for goods between port and port in China, or be-

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tween ports of China and the islands to the eastward, during any number of years?—I can furnish the rate of freights paid upon some of the principal articles; it is a specific freight upon particular commodities; so much for raw silk, so much for earthenware, so much for tea. To the best of my recollection, the charge upon tea and upon the coarser earthenware is the same.

3681*a*. Supposing the trade between China and Europe were to flow through the channel of an emporium, are you of opinion that the foreign trade carried on in Chinese junks might be very considerably increased?—Yes, I have no doubt it would; but I beg leave to give some explanation upon that point. If European nations were excluded from Canton, of course the trade would take the channel of an emporium entirely; but if European nations were admitted to Canton freely, if there were no restrictions upon their admission to Canton, I have great doubt whether it would centre in an emporium. Canton is a place of long-established trade, and people would prefer it, at least for a time, even if the others were more convenient; but this is a point exceedingly difficult to determine upon. I have often thought of it, but I have never been able to make up my mind, whether the trade would take the channel of Sincapore, or whether it would continue to centre at Canton. Trade takes a long time before it quits an established channel, even to go into a more convenient one, when such is opened or presented.

3682*a*. Supposing an interruption to take place in the European trade of China, are you of opinion that a considerable quantity of tea might be brought in Chinese vessels to Sincapore, or some other emporium in the eastern Archipelago?—I conceive so. I think it was a great point, during the discussions respecting the former charter with the East-India Company, to establish that fact themselves. Mr. Drummond, now Lord Strathallen, gave it distinctly in evidence, that a very large quantity of tea might be imported into Europe through such a channel. The evidence is to be found upon the records of the Committee of the House of Commons, I think, in 1812. It seemed, indeed, to be a settled point, especially in reference to the Philippine Islands, and others. I have a short entry on this subject, taken out of a note-book that I kept at Sincapore; it is dated the 22d of August 1825, and the result of a conversation with the commanders of some junks:—"The tea consumed in Cochin China is brought from Tchoutcheou, on the confines of Canton and Fokien, but in the jurisdiction of the former, to Hainan, from whence it comes to Saigun and other places. It is all the produce of Fokien. Into Saigun there are annually imported about 70,000 boxes of tea, of 20 catties each, and into Hué about 10,000 boxes. It is impossible to conjecture the quantity brought into Tonquin, as a great part of it is imported by

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land. The price of the ordinary qualities at Tchoutcheou and Canton is 26 dollars per pecul: the same tea would be sold at Saigun for 40 dollars. My informants state, that any quantity whatever of tea may be imported into Sincapore, which the market may demand, from Chaotcheou, Changlim, and other parts, either black or green. The commanders of junks will do this in spite of any regulations to the contrary. Information furnished by commanders of Saigun junks, 22d August 1825." Note, 80,000 boxes of tea, of 20 catties each, are equal to about 2,130,000 pounds. The prices of 26 and 40 dollars per pecul are equal to 10*d.* and 15½*d.* per pound.

3683*a*. Have you paid any attention to the statistics of China? —I have paid the usual attention to it. I have read a good deal upon the subject.

3684*a*. Will you state what you consider the population of China to be?—I have here a table containing a variety of statistical particulars with regard to China.

3685*a*. From what source have you derived that table?—I have a paper describing the sources from which I have taken it.

3686*a*. Will you have the goodness to deliver in those papers.

[*The witness delivered in the same, which was read as follows:*]

TABLE exhibiting a Brief View of the

PROVINCES.	Latitude of Provincial Capitals.		Travelling Distance of Provincial Capitals from Pekin.	Area of each Province in Statute Miles.	Population.	Inhabitants to the Square Mile.	Revenue.
	N. °	′	*English Miles.*				£.
Pecheley	39	55	—	59,700	3,504,038	58	923,931
Kiannan	32	4	863	85,000	30,405,258	357	2,458,476
Kiansi	28	37	1,024	72,000	5,922,160	82	981,374
Fokien	26	2	2,202	57,150	1,684,528	29	377,507
Chekian	30	20	1,185	37,200	18,975,099	510	1,357,593
Houkouan	30	34	1,133	168,300	33,702,379	200	738,123
Honan	34	52	553	62,000	2,662,969	43	1,052,826
Shanton	36	44	287	56,800	25,447,633	448	1,231,607
Shansi	37	53	431	63,500	1,860,816	29	1,061,916
Shensi	34	15	952	167,700	257,704	1½	497,610
Seehuen	30	40	2,048	175,600	7,789,782	44	195,484
Canton	23	10	2,720	97,100	1,491,271	15	424,567
Kouansi	25	13	2,680	87,800	2,569,518	29	146,828
Yunnan	25	6	2,946	131,400	2,255,459	17	165,306
Koueicheou	26	30	2,745	51,200	2,941,391	57	36,764

RECAPITULATION.

Area of China, exclusive of Tartary and dependent provinces, in English square miles	1,372,450
Total population of ditto	141,470,005
Rate of population to the square mile in ditto	103
Total revenue	£11,649,912
Rate of taxation per head	1*s.* 7*d.* ·76
Army	1,182,000
Rate of military force to the population	as 1 to 119

Statistics of *China Proper*, &c. &c.

Rate of Taxation per Head.	Military Force.	DISTINGUISHING PRODUCTIONS AND INDUSTRY.
£. s. d.		
0 5 3	241,000	Tin, lead, the vine, mineral coal, marble, saltpetre, fossil alkali.
0 1 7	132,000	Corn, salt, cotton, cotton and silk fabrics, porcelain, fine green tea, foreign trade.
0 3 3	39,000	Gold, silver, lead, iron, tin, vitriol, corn, alum, fine porcelain.
0 4 5	76,000	Quicksilver, iron, iron manufactures, tin, silk fabrics, fine black tea, foreign trade, marble.
0 1 5	59,000	Corn, silk, silk fabrics, fine black and green teas, foreign trade.
0 0 5	88,000	Quicksilver, tin, corn, fine tea, paper, cinnabar.
0 7 10	24,000	Copper, corn.
0 0 11	35,000	Corn, trade seaways.
0 11 4	35,000	Mineral coal, woollen stuffs, salt from lakes and springs, the vine, sheep, cinnabar.
1 18 7	104,000	Mineral coal, cinnabar, rhubarb, musk, sheep, salt from lakes and springs and fossil salt, hair manufactures.
0 0 6	85,000	Copper, gold, iron, tin, lead, amber, musk, horses, silk, sugar, rhubarb, salt from springs.
0 5 9	99,000	Copper, iron, tin, lead, quicksilver, silk, sugar, camphor, foreign trade, marble.
0 1 1	42,000	Copper, tin, silver, cassia, sheep.
0 1 5	53,000	Gold, silver, copper, tin, zinc, silk, salt, tea, musk, trade by land with Burmans and Siamese.
0 0 3	70,000	Gold, silver, copper, quicksilver, grass cloth.

RECAPITULATION.

Population of China Proper	141,470,005
Ditto.. of the province of Ching King, or Lias Toung	486,643
Ditto.. of .... Kansu	340,086
Computed population of Tartary	12,000,000
Military force in Kansu, not included in the population	123,000
Ditto .... in Ching King .... ditto	4,000
Ditto .... in the country of the Manchoos	10,000
Ditto .... in .... ditto .... Mongols	30,000
Ditto .... in .... ditto .... Bucharia, &c.	45,000
Ditto .... in Tibet	6,000
Marine	31,000
Civil officers, not included in the population	9,611
Military ditto	7,552
Army in China Proper, exclusive of officers	1,182,000

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NOTE.—The accompanying Table is chiefly compiled from the following authorities, viz. from a "Statistical View of China, extracted from original documents by M. Klaproth," contained in the Appendix to Timkowskie's Travels, London, 1827; from Du Halde's China; from the last edition of Grosier's China, 7 vols. 8vo. Paris, 1818; and from the Tables contained in a work, entitled, Histoire de la Chine, &c. &c. by M. Le Clerc, Besançon, 1777. A few particulars are derived from personal information.

Provinces.—The ancient division of China is into fifteen provinces; but two of the largest, Kiannan and Houkouan, have, of late years, been subdivided each into two, making the whole seventeen. The table is according to the old division.

Travelling Distance of Provincial Capitals from Pekin.—The distance in the original documents are given in Chinese lis, a measure of 1897½ English feet, and taken from the Imperial Civil Kalendar.

Area.—This is calculated from a common map of China; and all modern maps of that country are known to be drawn from one original, that of the Jesuits. The Chinese territory extends from about the 20th to the 40th degree of north latitude; but the finest parts of it are embraced in the space which lies between the 28th and 38th degrees, whether in respect to soil, climate, or position.

Population.—The document which furnished the materials for the population is the new edition of 1790, of the work called the "Great Imperial Geography." The population of China has usually been supposed in Europe to be extravagantly estimated; but when the vast extent of the empire is considered, it is certain that the country is more *under* than overpeopled. This will appear clear enough from the following comparison with the population of some other countries.

China, per square mile	103	Austrian Dominions ...	110
Old British Possessions in Bengal	240	France	164
Hindustan throughout	104	England	222

By casting the eye over the Table, it will appear that the population is very unequally spread over the country. There are, in fact, but four provinces out of the fifteen which are densely inhabited, embracing between them little more than a fourth part of the area of the empire, but containing above two-thirds of the population, and of these three only are remarkable for their populousness. The rest of the empire is, in fact, but scantily inhabited. Much of the surface of China is mountainous and sterile, a fact which has struck all intelligent travellers and visitors. In point of natural fertility it is evidently much inferior to all our possessions in Bengal, and even to Hindustan in general, although over the latter country it possesses great advantage, in the number and superiority of its navigable rivers and harbours. The population, as elsewhere, has accumulated in the fertile alluvial plains towards the *débouchements* of the great rivers, along the borders of lakes, and in the neighbourhood of the creeks, bays, and harbours, with which some parts of the coast appear to be so remarkably indented. Two of the most populous, as well as industrious and civilized provinces, Kiannan and Chekian, besides abounding in lakes and inlets of the sea, contain the *débouchements* of the two great rivers of China, and it is here that the mass of the population appears to be

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concentrated. Shanton, besides containing many harbours and lakes, is intersected by the Imperial Canal; and Houkoaun, although a central province, contains extensive lakes, and is intersected by one of the large rivers, which appears to pass through a wide plain uninterrupted by mountains. Two of the provinces best known to us, Canton and Fokien, are so remarkably mountainous, that they seem always to have relied upon their neighbourhoods for supplies of corn, the first being furnished from the neighbouring province to the westward of it, and recently from the Philippine Islands, and the last from the fertile and underpeopled island of Formosa. I have no doubt, however, that the population of the province of Canton is for the present times much underrated, and that through means of the foreign trade it has greatly augmented within the forty years since the census was taken. By the editors of the Canton Register, I perceive that it is considered to be as populous as Scotland, or to contain about two millions and a half of inhabitants, which would give twenty-five instead of fifteen inhabitants to the square mile. The extent of the woods in the province of Canton, and the neighbouring one of Konansi, is indicated by the large amount of two articles of the exports of China to foreign parts, cassia and camphor, both of which are productions of the forest. Canton, for example, produces yearly not much less than 6,000 peculs of the latter article, or about 800,000 lbs. weight. The frequent presence of the metals in the north-western provinces indicates a mountainous country, a primitive formation, and a territory not distinguished for fertility. This, indeed, is well known to be the case, particularly with the great province of Yunnan. On the north-west frontier the country is still more sterile; and here occurs the great province of Shensi, with less than two inhabitants to a square mile. This part of the country is not only destitute of rivers, but liable to droughts, and to the depredations of locusts.

Revenue.—The account of the revenue is taken from the Imperial Civil Kalendar, published quarterly at Pekin. The statement here given by M. Klaproth seems to be the same as that which has been translated by Mr. Huttmann, the secretary of the Royal Asiatic Society, and refers to as late a period as the year 1814. The Chinese revenue consists of a land-tax, partly levied in money and partly in kind, customs and transit duties, a monopoly of salt, licenses of pawnbrokers, and other miscellaneous taxes, a tax levied on coals at the mine, &c. M. Klaproth gives the total amount of the revenue levied in money at a sum which is equal, taking the Chinese ounce at 6*s*., to £10,005,250, and Mr. Huttmann at £10,818,367: adding to the first the value of the tax in corn, we have the sum of £11,649,912 given in the table. According to this view, the taxes paid by one hundred and forty-one millions of Chinese do not greatly exceed *one-half* of what is paid by ninety millions of British subjects in India, much inferior to them in industry and civilization. The tax per head in China is 1*s*. 7¾*d.*: in the British possessions in India it is 4*s*. 8¼*d.** The land-tax in China, the principal one, is said to be fixed and permanent; and indeed the moderation of the taxes throughout is, in all probability, the principal element in the good government of the Chinese; for that good government exists, in a

* *Note.*—East-India Annual Revenue Accounts, printed May 1828.

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relative degree, is sufficiently indicated by the superiority of the people in all useful industry to every other Asiatic nation.

Military Force.—One-third of the military force of China is said to exist only on the muster-rolls. Whether this be the case or not, no doubt the whole is a burden upon the people and government. The amount is not so exorbitant as might be supposed, being but as one to 119 to the whole population: whereas the army of Russia, the country that most resembles China, is as one to 75.

3687*a*. You have stated that China Proper extends from the 20th degree of latitude to the 40th; are there not territories dependent upon China which extend much farther north than that?—Yes; there is an estimate of the population of those territories in the table, but it is little better than conjecture.

3688*a*. Will you state to what degree of latitude the territories dependent upon China reach?—I cannot; I should say, probably, to the 45th or 47th degree. Pekin itself is nearly in the latitude of 40.

3689*a*. Have you paid particular attention to the tea trade? —Yes, I have paid a good deal of attention to it.

3690*a*. Will you state the result of your inquiries respecting the cultivation of tea?—Having never been in China, I have never seen the tea-plant cultivated properly as it ought to be; I have seen the tea-plant growing in Cochin China only.

3691*a*. In what degrees of latitude is it generally grown?—It will grow any where; but it will make very bad tea in warm climates. It is a very vigorous, hardy plant; I have seen it live upon the very Equator, or close to it; and it grows again as far as the 45th degree of latitude.

3692*a*. Within what degrees of latitude do you think it could be grown, so as to produce a good article of commerce?—One can judge only from what is known to take place in China. I believe good tea is confined generally to the climate probably extending from 25 to 32 or 33 degrees.

3693*a*. Do you understand that the tea-plant is cultivated in most of the provinces of China?—There is no doubt it is. I know it to be cultivated in the province of Yannen, which is the most westernly province of China, because I have seen it brought in considerable quantities to Ava; and it was stated to be the product of that province.

3694*a*. Is it cultivated in any other country besides China?—It is cultivated in Japan, in Cochin China, and in Tonquin.

3695*a*. Is any of the tea that is grown out of China as good as that which is the genuine China tea?—All other tea that I have seen is sufficiently bad. I take it that a great deal of skill and industry are necessary to grow tea. I should think that the vine is almost a complete parallel with the tea-plant. The tea

is known to be botanically one species, so is the vine; and, I believe, every distinction that arises between green tea and black tea to be owing to climate, soil, and cultivation. The places that produce fine teas are like the spots which produce fine wines, from all accounts exceedingly limited; the places that produce coarse teas are very widely spread. 25 Mar. 1830. John Crawfurd, Esq.

3696*a*. Is the coarse tea in general consumption throughout China?—From all I have been able to ascertain, it is in very general cultivation and general consumption. It could not be generally consumed unless it were generally cultivated. The people are poor, and could not afford to use it if it were not cultivated upon the very spot where it is consumed.

3697*a*. Do the lower orders in China drink tea?—I have understood universally. Those that reside in foreign countries are perpetually sipping tea. I recollect a Hindoo sepoy once called my attention to some Chinese who were at work, telling me, that those people never drank water, that they always drank tea; that was the explanation he gave. The matter appeared, of course, strange to one of a people who themselves hardly ever drink any thing but water.

3698*a*. Can you state the description of tea that is in common use amongst the lower class of Chinese; is it bohea or congo?—Those are European names. I believe I have understood from the Chinese, who have been in the tea districts, that the name of Bohea, particularly, is that of a certain place in which some of the finest black tea that is exported is grown; but I think it may be inferred from the statement I have drawn up that the tea we name bohea is generally consumed in China, I have a comparative statement of the prices of new and old tea in Canton in season in 1828-9; I find that the bohea tea is precisely of the same price in the month of May, when out of season, that it is in the month of November, in season; that there is not the least variation in the price, whereas there is an immense variation in the prices of all the other kinds, particularly in those dealt in by Europeans, and especially in the green teas.

3699*a*. Do you infer that the teas consumed in China by the Chinese themselves are black teas?—I understand them to be universally black.

3700*a*. And the great bulk to be of an inferior description?—And the great bulk to be of an inferior description, of course.

3701*a*. Have you recently looked at the qualities of teas imported into this country, and can you state the proportion which the inferior descriptions of tea bear to the superior?—I have made a calculation of that, but I have it not by me. I have a statement of the proportions of the higher classes of tea in America and in this country. Tea is an article of general consumption in this country; it is not so to so great a degree in America. There is a larger proportion of good tea consumed

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in America than there is in this country, and a much larger proportion of inferior tea is consumed in this country.

3702*a*. Is it a fact that the great bulk of the imports of teas for the English market consists of inferior description of tea?—The great bulk of the tea consists of congo; I think, probably, 20,000,000 out of 30,000,000.

3703*a*. Are you of opinion that the quantity of fine teas required for the market of Europe might be augmented in China?—I should think not very materially. The kinds that are now produced, I should think, much resemble in production some of the finer wines. There are, as is well known, some particular wines of which the quality cannot be much augmented without deterioration of quality. But that other fine teas, not at present known to us, may be discovered, I have no doubt, because there are evidently many fine teas that do not reach us; for example, the teas sent to Russia are obviously a different description of tea altogether from those that we receive, and the produce apparently of other provinces.

3704*a*. Do you know what provinces?—No; I suspect some of the central provinces.

3705*a*. Is that of a different description from what we import?—Yes, it differs from it materially; it is evidently another production; it differs from it as much as claret does from burgundy.

3706*a*. Are you aware whether fine tea is now produced in some of the provinces of China which have no export to Europe?—I have been told so by Chinese, and the fact is confirmed by the most authentic works I have read.

3707*a*. What are those provinces?—I understand there is very fine tea produced in Yunnan and Honkonang.

3708*a*. What kind of tea is produced in Cochin China?—Very inferior tea indeed; it is a large-leafed tea; very little care seems to be taken in the cultivation, and very little also in the preparation. The Cochin Chinese do not infuse, but boil it. The tea, it may be remarked, seems to be a peculiar plant, for the larger the leaf and the older, the less strength and flavour there seems to be in the tea, and the younger the leaf the more delicate and high-flavoured it is.

3709*a*. Do the better classes in Cochin China consume Chinese tea?—They do.

3710*a*. Is that the case in the Burman empire?—In the Burman empire they consume very little tea, besides what they grow themselves. This last, although a genuine tea botanically, is a peculiar variety. The Burmese mix it with oil of *seasimum* and garlic, and give it to their guests as a token of welcome. There is a very large consumption of it, and it is a considerable branch of trade.

3711*a*. Can you furnish the committee with any information

respecting the Russian tea-trade?—When I resided at Brussels, about eight or nine months ago, a Belgian gentleman of rank offered to furnish me with answers to any queries I might put upon the subject.

3712a. Was he engaged in commerce?—He was not engaged in commerce; but he wrote to a gentleman at St. Petersburgh who was, and I have here a translation of the replies of the latter to the questions which I prepared.

3713a. Will you have the goodness to read them.

[*The witness read the same, as follows:*]

"What kinds of tea are imported from China to Kiachta?——None but of the first qualities, whether black or green; but the great importations consist of black, the green being but of slender consumption in Russia.

"What are the prices at Kiachta of low, middling, and first qualities?——As the inferior qualities are not imported into Russia, as has been already seen, the prices cannot consequently be annexed. The consumption has a determination towards the first qualities, on account of the duty being the same for all kinds, without distinction of colour or quality. Thus, a pound of very inferior tea pays exactly the same custom-house duty as the most select which is imported. As to the price of the first qualities, it is difficult to determine it exactly, because the tea is always taken in barter, against Russian and other productions, principally, however, Russian. This barter, which is entirely in the hands of the Russian merchants, is an obstacle to obtaining, unless very imperfectly, the real price of teas at Kiachta. This matter, in fact, is made a secret with the merchants. However, according to the information which I have obtained, the price of black or green tea may be commonly estimated at about three paper rubles the Russian pound.

"What are the prices of tea at St. Petersburgh?——The answer made to the first question is equally applicable here, as far as relates to the inferior qualities, of which the price is not known at St. Petersburgh. On the other hand, as in Russia black teas are in more request than green, they bear the same price at Petersburgh and Moscow, where the trade is principally conducted; both kinds are commonly sold wholesale at from eight to nine paper rubles the Russian pound. The importation duty of three paper rubles, charges and profits, included.

"Are the teas imported at Kiachta the produce of the provinces of Kiannan and Fokien?——No; they come from the centre of China.

"Are the teas consumed in Russia equal, in point of taste and flavour, to those used in England, France, and Germany?——They are in all respects superior to those consumed in these last countries. In the first place, as has been already said, the higher qualities only are consumed in Russia. In the next, they undergo no sea-voyage—a voyage which causes them to lose much of their strength, freshness, and flavour. To make a comparison, I would say that the black is of a superior quality to the tea known by us under the name of pekoe; and that the green is better than that which passes under the name of imperial. In use, the difference

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between the teas coming sea-wise and those coming by land through Kiachta, is so remarkable, that it is no exaggeration to say that a pound of the last goes as far as two pounds of the first. The tea which goes under the name of Caravan tea, sells in Germany and France at the rate of 10 or 12 florins the half Netherlands pound. But the importation of this tea into the latter countries is very trifling, and consequently it is difficult to get it genuine.

"What is the quantity of tea annually brought to the fair of Kiachta?——The importations of tea at Kiachta, and at two other places which have the privilege of carrying on the trade, amount yearly to 700,000 pouds, or 28,000,000 of pounds.

"What class is it that consumes tea in Russia?——The great mass of the nation uses it, from the lord to the peasant or serf, all who possess a little means.

"What is the yearly value of the exportations and importations at Kiachta?——The value is estimated at 150,000,000 of paper rubles.

"Can any Russian merchant establish himself at Kiachta?——The merchants carrying on the trade are for the most part Muscovites; but any Russian may engage in it, paying the corporation tax (droits des guildes).

"What are the principal articles disposed of by the Russians to the Chinese?——Among other articles, broad-cloths, velvets, *polemites*, furs, Italian coral, leather (jaffs, &c.).

"Is there any published work in Russia on the subject of the trade carried on at Kiachta?——The Russian Government has a statistical work on the subject, but it is not published."

3714*a*. What is the value of the paper ruble?—About 10¼*d*. or thereabouts.

3715*a*. Can you state generally the course of the Russian trade with China, and the mode in which the tea is brought to Europe?—I understand that it is a very tedious affair; that when the goods are conveyed by water it takes three years from Kiachta to the eastern frontier of European Russia, and when it comes by land it takes one year. By three years is meant three short summers. For eight or nine months of the year the rivers are frozen up and impassable. I have always thought that this branch of trade much resembled in character the overland commerce that was carried on before the discovery of the Cape of Good Hope; and that if tea brought sea-wise could be imported into Russia, scarcely a pound of the tea now used would be consumed, fine as it is. The direct commerce between Russia and China would then probably be confined to that part of the Russian empire which is the immediate neighbourhood of China.

3716*a*. Do you understand that the Russians experience any difficulty from being in immediate contact with the Chinese?—I do not understand that they do. I have read that they have even convicts upon the very frontiers. It is stated that there

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are always from 1,000 to 1,500 of these, and that when they escape they are immediately taken up by the Chinese government, and sent back again, with a request that they should receive a little additional punishment for polluting the Chinese territory, beyond what they had a right to receive for their flight.

3717*a*. How long did you reside at Sincapore?—About three years.

3718*a*. What is the population of Sincapore?—I think between 8,000 and 9,000, when I went there in 1823.

3719*a*. Were you the resident there?—I was the resident at Sincapore, acting under the Governor-general of Bengal.

3720*a*. When was the settlement first made at Sincapore?—In 1819.

3721*a*. Was it not then in a very rude state?—There were only 200 or 300 Malay inhabitants.

3722*a*. In what year did you leave it?—In 1825.

3723*a*. What was the amount of the population then?—I have prepared a statement upon that subject, which I will deliver in.

[*The witness delivered in the same, which was read, as follows:*]

POPULATION of Sincapore for the Five Years ending 1828.

	1824.	1825.	1826.	1827.	1828.
Europeans	74	84	111	87	108
Native Christians	74	132	206	188	193
Armenians	16	9	18	19	25
Arabs	15	10	17	18	17
Natives of Coromandel and Malabar	390	690	605	777	1,095
Natives of Bengal and other parts of Hindostan	366	226	384	244	294
Siamese	—	—	—	7	—
Bugis	1,851	1,704	1,442	1,242	1,252
Malays	4,580	5,130	5,697	4,790	5,336
Javanese	—	38	146	267	355
Chinese	3,317	3,828	4,279	6,088	6,210
African Negroes	—	—	2	5	—
Total	10,683	11,851	12,905	13,732	14,885

Troops in Sincapore, 561; Convicts, 388.
Increase of population in five years near 40 per cent.

3724*a*. Is that number you have stated the entire number of persons on the island, or only of fixed settlers?—I understand those to be the fixed settlers.

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3725*a*. Did you find a mixed population of that nature difficult to manage?—By no means; quite the contrary.

3726*a*. What is the nature of the harbour of Sincapore?—It is an open road; it is not a harbour. But this is a matter of no consequence in those latitudes; there is never a storm there; I have never known even a squall continue more than half an hour or three-quarters of an hour, and such squalls are of no great violence.

3727*a*. Is it entirely a free port?—Entirely. The Americans are excluded from it; but that is in virtue of a treaty we have with the Americans, by which, in consequence of enjoying certain privileges beyond others at these, they are confined to four principal settlements. Sincapore having become a British possession since the treaty, of course they are not allowed to trade to it.

3728*a*. Are there any duties at Sincapore?—No; nor any port-charges whatever.

3729*a*. Do you attribute the increase of the settlement to that circumstance?—No doubt, and to its convenient situation.

3730*a*. Can you give the amount of exports and imports to Sincapore?—I have a statement of the imports and exports of Sincapore for the years 1826-7 and 1827-8, which appeared in the Sincapore Chronicle of the 11th and 25th September 1828.

[*The witness delivered in the same, which was read, as follows:*]

IMPORTS.

The following is a Comparative Statement of the Amount of the Imports of this Settlement for the Years 1826-7, and 1827-8.

Names of Places.	1826-7.	1827-8.	Increase.	Decrease.
From	Sicca Rupees.	Sicca Rupees.	Sicca Rupees.	Sicca Rupees.
Calcutta	19,53,120¼	23,16,466¼	3,63,346	—
Madras	4,03,001¼	4,14,697¾	11,696½	—
Bombay	2,55,700½	3,76,889½	1,21,189	—
England	28,35,477	19,20,126¼	—	9,15,350¾
Foreign Europe	—	5,41,673	5,41,673	—
America	3,69,959	—	—	3,69,959
China	15,13,555	17,92,674¼	2,79,119¼	—
Prince of Wales' Island	6,72,523	8,83,015¼	2,10,192¼	—
Malacca	3,06,438¾	2,78,627¼	—	27,811½
Java	11,78,675¼	22,84,637¼	11,05,962	—
Isle of France	82,122¼	1,55,951	73,828¾	—
Ceylon	10,525	19,355¼	8,830¼	—
Siam	4,61,006½	2,75,819¾	—	1,85,186¾
Cochin China	3,22,790¼	1,08,449¼	—	2,14,341
Acheen	1,00,932¾	2,896½	—	98,036¼
Other Native Ports	31,53,958¾	35,14,720¼	3,60,761½	—
	1,36,19,786	1,48,85,999¼	30,76,898½	18,10,685¾

Total Increase of Imports...... 12,66,213¼ Sicca Rupees.

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EXPORTS.

The following is a Comparative Statement of the Amount of the Exports of this Settlement for the Years 1826-7, and 1827-8.

Names of Places.	1826-7.	1827-8.	Increase.	Decrease.
To	Sicca Rupees.	Sicca Rupees.	Sicca Rupees.	Sicca Rupees.
Calcutta	20,39,761½	16,31,349½	—	4,08,412
Madras	2,78,928½	11,38,099	8,59,170½	—
Bombay	5,26,188¼	1,88,012	—	3,38,176¼
England	21,15,118	27,89,513½	6,74,395½	—
Foreign Europe	5,74,457½	2,72,230¾	—	3,02,226¾
China	24,64,815	15,19,897	—	9,44,918
Malacca	4,38,356¾	4,80,556	42,199¼	—
Penang	3,69,777¼	6,46,122¾	2,76,345½	—
Java	8,26,965¾	10,26,379	1,99,413¼	—
Mauritius, &c.	59,900¼	1,19,122¾	59,222½	—
Siam	3,41,333¼	4,57,713¼	1,16,380	—
Cochin China	2,89,856¼	85,576	—	2,04,280¼
Acheen	26,219¾	—	—	26,219¾
Other Native Ports	3,531,384	35,17,438½	—	13,945½
	1,38,83,062	1,3[illegible],72,010	22,27,126½	22,38,178½

Total Decrease of Exports...... 11,052 Sicca Rupees.

3731*a*. Have you got an account of the tea imported into Sincapore?—I have an account of the tea exported, but none of the tea imported. It is, however, given in a manner that is not very distinct, and I am not able to give the quantities as they ought to be given. In 1826-7 it was 2,462 boxes and 103 peculs, three chests and 275 packages. In 1827-8, 267 peculs, 10 catties, 1,572 chests, and 80 packages.

3732*a*. Can you give the Committee any notion of the quantity of tea consumed by the Chinese in Sincapore?—I have an extract of a letter which I received from Sincapore about a month ago, dated the 31st of July 1829. I put the question to one of the principal merchants in Sincapore, and this is the answer I received to it:—"I have not been able to get the information about the tea-trade in the way that I would wish. The Chinese here say a family of six persons will consume about 30 catties (40lbs.) annually of good tea, costing 30 to 40 dollars the pecul (11½*d.* to 15½*d.* per pound); labourers fully twice that quantity, at about 10 dollars the pecul, (3¾*d.* per pound.) There can be little doubt that both tea and raw silk could be brought here by the junks to any extent, were there any inducement for them to do so. I will, however, endeavour to get detailed information to some extent, and write you more fully hereafter."

3733*a*. Have you formed any calculation of the consumption of tea in China, deduced from that datum?—The consumption here given for the lower orders is double the consumption for

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the better classes; it amounts to 70 pounds weight per annum, at an average, for the lower classes, for a family of six persons. But the labouring classes in Sincapore are, in all probability, in far more easy circumstances than the labouring classes in China; and though the tea be cheaper here, it is not likely that the lower orders there should be able to consume an equal quantity. Supposing they consumed only one-half of it, and that the population be taken at 141 millions, exclusive of Tartary, there would be about 280 millions of pounds of tea consumed, or about twenty-eight times the consumption of this country.

3734*a*. You have been on a mission to Siam and Cochin China?—I have.

3735*a*. Did you find any difficulty in conducting the objects of that mission, as arising from your not being clothed with authority from the King of this country?—I certainly did; and in the Burman mission also.

3736*a*. If you had been considered as deputed from the King of England, do you conceive that you would have had greater facilities in accomplishing the objects of the mission?—I do not know with respect to mere commercial objects that I should have had more facility, but I should have had a more gracious reception. They were offended at receiving a mission from a governor or viceroy. Had my powers been derived from the Crown, I should have been received at Cochin China, where I was not received at all.

3737*a*. Were you deputed by the Governor-general of India?—I was.

3738*a*. Upon what ground do you form that opinion?—Upon the positive assurance of the persons connected with the court of Cochin China.

3739*a*. Did you go to Siam in a King's vessel, or in a merchant vessel?—I went there in a merchant vessel selected expressly for the purpose. I might have had an armed vessel; but it was my own suggestion that it should be a merchant vessel, and it was readily acceded to by the Government, who saw the propriety of it.

3740*a*. Did you see any of the officers of the court of Cochin China?—I did; and had interviews with them.

3741*a*. You have referred, in a statement you have delivered in, to the opinions of M. Klaproth; by what means did you become acquainted with those opinions?—By reading them in M. Klaproth's works.

3742*a*. Have you any means of knowing what Mr. Klaproth's opinion is as to the opening of the trade in China to British ships generally?—I have not. But I should not think that M. Klaproth's opinion was worth a farthing. I should think that a recluse scholar, residing in Paris, could be no judge of

the merits or demerits of a great political question, touching the interests of this country. 25 Mar. 1830.

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3743a. Upon what ground have you thought it expedient to give to the Committee any detail of the opinions of M. Klaproth upon this subject?—I give no opinion of M. Klaproth whatever. I have given a translation by M. Klaproth of certain original Chinese works. I never quoted any opinion of M. Klaproth.

3744a. You have stated that you have been in various parts of India, and also in the islands, holding various situations; in what situation were you first admitted into the Company's service?—I went into the Company's service in a medical capacity in the first instance; through my own industry in some respects, and through probably a larger share of good fortune, I was in time raised to situations of trust and responsibility.

3745a. Do you think that the Chinese settlers could cultivate the tea-plant with advantage in any of the British possessions in India?—They might be usefully employed in that capacity; but I should think, from what I know of the character of the Chinese, and of the people of India generally, that without the aid of European capital and European superintendence, the thing is not to be done in India.

3746a. Do you think the tea-plant could be cultivated in India?—I think there is every reason to think that it might; it has not been actually done, and therefore it is difficult to say absolutely that it could. But I am given to understand that it is cultivated with perfect success in the Brazils. I see that circumstance stated in the work of a man of very considerable abilities, Dr. Clark Abel, who accompanied Lord Amherst, and with whom I had myself conversations upon the subject.

3747a. To what extent is it cultivated in the Brazils?—To a very trifling extent; and in the botanical gardens of Rio Janeiro. Dr. Abel saw it prepared; and he stated that the process was according to the Chinese plan. All this, I should say, was reported by him after he had seen the cultivation and preparation of tea in China.

3748a. Do you think that any considerable commerce could be carried on between this country and the ports of Siam or Cochin China?—There is a very considerable commerce carried on indirectly through the medium of Sincapore, and one that, generally speaking, increases from year to year.

3749a. Do you mean a direct intercourse between Cochin China and Siam, or an intercourse been Cochin China and Sincapore, and between Sincapore and Siam?—I mean a direct intercourse between Sincapore and those two countries.

3750a. Are there any articles that can be sent from this country that would be required there?—There are great difficulties in any direct intercourse with the Siamese. I went upon a mission to that country, and I experienced very considerable difficulties.

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3751*a*. In what year did you go?—In 1821.

3752*a*. Can you state the principal difficulties you met with?—The greatest difficulty, I think, is the government itself carrying on trade, and all the officers of the government carrying on trade. The king owns junks, the princes own junks, and I believe the princesses own large junks. They think *that* the best way of deriving gain from trade; and have no conception that it would be for the benefit of the country to admit a free intercourse. They are in possession of their perquisites, and they like to keep them.

3753*a*. In what way were difficulties thrown in your way; was it by prohibitions or duties?—The duties are inconsiderable. The principal difficulty is the government carrying on trade, and exercising a right of pre-emption: the duties are not heavy, and life and property are perfectly secure.

3754*a*. What articles do they chiefly deal in?—Siam produces a great number of articles; it is a very fertile and productive country.

3755*a*. With what countries do they chiefly trade?—Their principal intercourse is with China. This is a very large trade. Bankok, the capital of Siam, is probably the largest Asiatic trading place in the East, next to Canton.

3756*a*. Are there articles produced in Siam which are not produced in our colonies, which may become articles of importation into this country?—We receive at this moment a large quantity of the produce of Siam in this country, which is brought to Sincapore by the junks I have mentioned, and eventually brought here: as for example, a large quantity of sugar, which is found in the price-currents under the name of China and Siam sugar.

3757*a*. Are there other articles that are peculiar to Siam?—I do not know that I could name articles exclusively Siamese. Gamboge is an article which is not exactly peculiar to Siam, but it is chiefly brought from that country; it is a produce of Gambodia, as its name implies.

3758*a*. The question refers to the Malay Peninsula generally?—There are a great number of articles; pepper, teakwood, tin, &c.

3759*a*. Is there any direct commercial intercourse with Siam?—Several ships have gone there; there have been several American and English ships.

3760*a*. To what ports?—To the port of Bankok, which is on the river that runs through a wide and extensive valley, and empties itself into the Gulf of Siam.

3761*a*. Have British manufactures found their way into consumption in Siam?—Very largely. I do not know any people that consume British manufactures more largely, the population being considered, except probably the inhabitants of the island of Java.

3762*a*. You state that there are eighty or ninety junks trading between China and Siam; can you state what articles are carried in those junks?—A great variety of articles; sugar, pepper, gamboge, great quantities of wood for furniture, hides, tin, bones of animals, which I believe are partly used as manure, and partly in the manufacture of certain utensils. 25 Mar. 1830. John Crawfurd, Esq.

3763*a*. What are the articles of British manufacture chiefly in demand there?—Chintzes and white cloth, and woollens, and now a considerable quantity of cotton twist.

Lunæ, 29° die Martii, 1830.

ROBERT RICKARDS, Esq. again called in, and examined. 29 Mar. 1830.

3764*a*. You presented to the Committee a calculation of the profit and loss of one year's investment of the China trade in 1820-21, being the last year which you considered to be complete in the several items necessary to make up that charge; have you, since making up that account, made up a similar account for any other years of the fourteen to which the tables allude?—It appeared to me at my former examination that there were some objections made to the statement I then delivered in, in consequence of the amounts of tea purchased in China and the quantities sold in this country not corresponding. That induced me to refer again to the official documents; and I found, upon examination, that there were sundry years in those documents when the purchases and the sales more nearly agreed. I have therefore got now with me three statements, one of which is for the first year of the series contained in the Tables No. 31, 32, and 33 of Papers, &c. 4th June 1829, or 1814-15; the other is for the last year of the series, or 1827-8; and the other is an average of the whole period. The two first of these statements being for the first and last years of this period, and the Committee being in possession of a statement for one of the central years, I next cast up all the columns of the Tables 31, 32, and 33, and thence deduced an average of the purchases, sales, and charges for the whole period; and the three statements, thus prepared, are delivered in as containing the results of this investigation. R. Rickards, Esq.

[*The witness delivered in the same, Nos.* 1, 2, *and* 3, *which were read, as follows:*]

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No. 1.—STATEMENT to show the apparent Result of the East India Company's Tea Trade on the Quantity purchased in Canton in 1814-15, and a corresponding Quantity sold in 1815-16; and taking the Charges in China and in England at the same Amount as particularized in the Official Document before referred to for 1820-21.—(*Vide* Parliamentary Papers, 14th May 1824.)

Cost of 26,195,144 lbs. of tea exported by the East India Company from Canton to England in 1814-15, as per No. 32 of "Papers relating to the Trade with India and China," 4th June 1829......	£1,743,081	Sale amount of 26,234,244 lbs. of tea in 1815-16, as per No. 33 of "Papers relating to the Trade with India and China," 4th June 1829............	£4,102,668
Freight and demurrage, as per No. 31 of ditto ditto.............	1,680,682		
Charges in China and England, as before..	618,849		
	4,042,612		
Profit....	60,056		
	£4,102,668		
Interest on home bond-debt as per No. 21 of "Papers relating to the Finances of India, &c. Feb. 1830," for the year 1815-16............ ..	£235,967		
Dividends on stock as per do. for do.......	629,902	Profit brought down..	60,056
		Deficiency.........	805,813
	£865,869		£865,869

N.B.—In this Account the sale amount of tea, it will be observed, exceeds the quantity reported from China; but if five per cent. (as in the other statements) be allowed for wastage, and accordingly deducted from the sale-price, it will exhibit a loss on this account of £145,077 instead of the small profit above stated, and therefore make the whole deficiency £1,010,946.

No. 2.—STATEMENT to show the apparent Result of the East-India Company's Tea Trade, on the Quantity purchased in Canton in 1827-8, and a corresponding Quantity sold in 1828-9, and taking the Charges in China and England at the same Amount as particularized in the Official Document for 1820-21.

Cost in 1827-8 of 31,593,176 lbs. of tea, exported by the East-India Company to England, as per No. 32 of "Papers relating to the Trade with	Sale amount of 30,269,508 lbs. of tea, in 1828-9, as per No. 41 of "Papers relating to the trade of India and China," February 1830, being

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with India and China, 4th June 1829 ....£1,981,419*		being a quantity (with the allowance of 5 per cent. for wastage) equal to that purchased in 1827-8	£3,527,057†
Freight and demurrage, as per No. 31 of ditto	783,759		
Charges in China and England as before ..	618,849		
	3,384,027		
Profit........	143,030		
	£3,527,057		
Interest on home debt for 1828-9, as per No. 21 of Papers," &c. February 1830	£158,124	Profit brought down .	143,030
Dividends on stock for ditto, as per ditto ..	629,071	Deficiency......	644,165
	£787,195		£787,195

* It may be remarked of this sum, that 30,269,508 lbs. of tea, in the proportions given of the different sorts in the document of No. 41 above referred to, would, according to the prices of the period quoted in the Canton Price-Current, cost £1,936,584: a sum so nearly corresponding with that in the above statement, that we may conclude the prices generally of the price-currents are those at which the Company's purchases or contracts are made.

† In No. 33 of " Papers relating to the Trade with India and China," the sale amount of 1828-9 is stated at £3,286,272 on 28,230,383 lbs. This would exhibit an actual loss instead of profit, as compared with prime cost and charges. There is, indeed, a discrepancy in the official documents as to the quantities of tea sold in this year, which the authorities at the India-House can alone explain.

	lbs.
In No. 33 of Papers, &c., as above, the quantity sold is stated to be	28,230,383
In No. 38 of the same Papers	29,982,080
In No. 41 of the " Papers," February 1830	30,269,502

I have taken the larger quantity and sum, as above stated, from the Papers of 1830, as appearing to afford a more unobjectionable comparison with the quantity of tea purchased. The result is a small profit, but leaving an ultimate deficiency, as compared with " interest on bond debt and dividends," of more than the *whole* amount of the dividends.

Of the item for freight and demurrage, it may be added, that if on further inquiry it should be found to contain Indian as well as Chinese freight, it may still not exceed the average of freights exclusively Chinese for a series of years; since the average of the commercial freights and demurrage given in No. 31 is no less in the fifteen years herein specified than £854,008. Any surplus, however, that may be included in the above-mentioned charge for freight and demurrage, would be counterbalanced by the avowed loss on exports to China, and other items of loss and charge which might be added to this account.

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No. 3.—STATEMENT to show the apparent Result of the Company's Tea Trade, calculated on an average of the Fourteen Years contained in the Tables, Nos. 31, 32, and 33 of "Papers relating to the Trade with India and China," 4th June 1829, or from 1814-15 to 1827-8 inclusive, and taking the Charges in China and England at the same amount as in 1820-21.

Cost of 28,129,230 lbs. of tea, being the average of the quantities exported from Canton to England for fourteen years, as per No. 32 of the "Papers" referred to	£1,819,788	Sale amount of 25,870,764 lbs. of tea, being the average of fourteen years' sales, as per Table No. 33 of the "Papers," &c. above referred to	£3,583,484
Average of the commercial freight and demurrage for the same period as per No. 31 of the same Papers .	867,654		
Charges in China and in England, as before .	618,849		
	3,306,291		
Profit	277,193		
	£3,583,484		
Interest on home bond-debt, average of fifteen years, as per No. 21 of "Papers relating to the Finances of India," Feb. 1830	£177,352		
Dividends on stock, average of ditto as per ditto ditto	630,572	Profit brought down .	277,193
		Deficiency	530,731*
	£807,924		£807,924

N.B. The difference between the export of tea from Canton and sale amount in England, is (after the usual allowance of 5 per cent. for wastage,) 852,000 lbs., and the value thereof in proportion to the above $\frac{\text{cost}}{\text{sale}}$ prices about £$\frac{55,000}{100,000}$; but this, or whatever stock may remain on hand at the end of each year, is carried to another account in the official papers here referred to, where it is credited as an asset against other charges and debts.

An official account of the stocks on hand at the commencement and close of this period might throw further light on this subject, without in all probability materially affecting the final result.

* This deficiency is independent of the loss by fire at Canton in 1822, amounting to £380,133, which must necessarily be included in a general statement of the China trade.

3765*a*. From what documents do you take the amount of charges on the trade to China in this account for 1814, seeing that the official documents before the Committee only give the details for one year, 1820-21?—From the same official documents from which I took it before, *viz.* for the year 1820-21, contained in the Parliamentary Papers of the 14th of May 1824.

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3766a. Then you assume that as the nearest to the actual amount which you are able to take?—I am obliged to do so, because it is the only official statement of charges I can find in the papers or accounts to which I have had access, and I therefore assume that the charges may be the same, or nearly the same, in each year.

3767a. Do you also, in the estimate of 1827-8, take that amount of charge as the supposed charge in that year?—It is the only one I have to refer to.

3768a. Do you consider that the amount of deficiency stated in that paper is independent of losses by shipwreck or fire of the cargo?—Entirely.

3769a. Does not the insurance charged in 1821, of which you have assumed an average, provide for losses of that kind?—For sea-risk I presume it does; but not for the fire at Canton in 1822.

3770a. Are the Committee to understand that the result of your examination of the official documents before the Committee is, that whether you take the year 1814-15, the year 1820-21, or the year 1827-8, or the average of the whole number of fourteen years, the profits of the China trade have not been adequate to pay the interest of the bond-debts in England and the dividends on stock?—In the three statements now delivered in and the statements I before delivered in to the Committee, I have given the best and the fairest view I can extract from the official documents referred to of the result of the Company's China trade. If there is any error or omission in those documents, for such error or omission I am of course not responsible; but supposing the official documents to be correct, or even nearly so, the result, I conceive, must be admitted to be a strong corroboration of the abstract position I set out with on my first examination, which was that the profits of the Company's concern were inadequate to the payment in England of the items I have inserted in these statements, videlicet, the interest on the home bond-debt, and the dividends on stock. As before mentioned, I do not pretend to deliver in these statements as perfectly accurate; they may be liable to some deductions, but they are also liable to some additional charges. Of whatever adjustments, however, these accounts may be susceptible, the general conclusion I have drawn from them will not, I apprehend, be invalidated; and if there is not a sufficiency of profit on the Company's trade to pay the dividends on stock and the interest on their home bond-debt, the only inference is, as I stated in 1813, that these items of charge can be no otherwise defrayed than from borrowed money, or the territorial revenues of India.

3771a Will you explain the principle upon which you have formed the statements you have delivered in?—The statements I delivered in on my former examination related wholly to the China trade. I explained to the Committee at that time, that

29 Mar. 1830. — R. Rickards, Esq. I placed the interest on the home bond-debt and the dividends on stock against the profits upon that trade, because I take it to be the only source of profit to the East-India Company in their commercial concerns. The export trade to China, as I stated before, on official authority, was admitted to be a losing concern, averaging between £60,000 and £70,000 per annum. The trade to and from India was also admitted to be a losing concern; and as it was quite obvious that neither dividends nor interest could be paid out of losses, I knew not where else to place this interest and dividends but against the profits upon the China trade.

3772a. Did you leave out territorial considerations altogether?—My argument is, that these items of charge are in fact paid out of the territorial profits.

3773a. In those calculations, you have set the interest of the home bond-debt against the profits of the China trade; but are you aware that the interest of the home bond-debt is a disputed charge between the territorial and the commercial departments? —I know that the East-India Company state it to be doubtful what part belongs to the commerce, and what to the territorial department; but I think it is quite obvious, from the general tenour of the accounts, that their home bond-debt can be only considered like the rest of their capital, as money originally raised for commercial purposes: and therefore the interest to be chargeable, in the same way as the dividends, on this branch of their concerns. This, too, I take to be the intention of the Act of the 53 Geo. III. sec. 57, by which interest and dividends are expressly chargeable, in the first instance, upon the commercial profits of the Company. It is only stated, in a subsequent section, that where the profits are unequal to the payment of the dividends, they are to be paid out of the surplus territorial revenues of India.

3774a. There appears in No. 23 of the Parliamentary Papers laid before this Committee by order of his Majesty, 1815, assets goods on hand, of the value of £5,006,359; and there appears on the 1st of May, 1829, goods assets on hand, of the value of £5,597,959; is it not necessary to have the detail of the amount of tea on hand at those respective periods, as forming part of those assets, in order accurately to ascertain the correctness of your statement?—I have stated in a memorandum at the foot of this statement No. 3, that such an account would be desirable.

3775a. Will it not be necessary, with the same view, that you should have a detail of the commercial freight and demurrage charged in account No. 31 of the Parliamentary Papers 285 of the year 1829, for the years 1814-15, 1820-21, and 1827-8, the years for which you have made up the accounts, in order to ascertain whether any and what portion of that aggregate charge belongs to the Indian trade?—Certainly it would be desirable to have the details of freight, &c. for the whole

period, in order to give a fair average thereof for the fourteen years included in my statement. 29 Mar. 1830.

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3776a. Are the Committee to understand, that in your account you have taken the column headed "Commercial Freight and Demurrage," in account No. 31?—That, and that alone.

3777a. Do not you suppose that in the first years of that column a considerable part of this charge for freight and demurrage arises out of the Company's freight to India?—I explained in my former examination, that there were no documents which enabled me to separate the Indian from the Chinese freight; neither does it appear clear from this table, No. 31, whether it is or is not intended to include the Indian freight. It is probable enough that it does include the Indian freights as well as the Chinese; but having no official document to rest upon, I thought it best, as before explained, to take the figures as I found them in this document, and to state my reasons for so doing, admitting at the same time the probability of the Indian freight being included. Now if that freight is included, knowing, as we do, that the East-India Company have of late years taken up ships for India at the rate of from £9 to £12 a ton, and referring to another document in this collection, wherein the Indian tonnage for the year 1821 is given at somewhere about 6000 tons; it is therefore obvious that, in the case supposed, we should only have to deduct about £60,000 or £70,000 for Indian freight from the amount copied into my statement; and if so, this excess of charge may be thought to be fully counterbalanced by the admitted loss on the Company's export trade.

3778a. Will it be necessary that the Committee should have before them an account of the wastage or loss suffered by the Company on the importation of their teas, with a view of ascertaining the accuracy of your accounts?—That would be also desirable; for as there is no official document in these papers to show what the amount of wastage is, it can only be taken on an estimate of what private individuals have sustained in the same course of trade.

3779a. You have made these calculations entirely from the Parliamentary Papers, without taking into consideration at what price the tale has been converted into the pound sterling?—I have taken the whole cost of the teas in China at the rate stated in the official documents.

3780a. Would a considerable difference appear in the result of your calculations, supposing the tale should have been estimated at 6*s.* 8*d.*, being only 6*s.* in reality?—That would of course make a difference in the conversion of tales into sterling money; but with that exchange I have nothing to do here. The prime cost of the tea to the Company is officially stated in No. 32 of these papers to be so many pounds sterling, and that amount I have taken; in other words, I assume that the teas

29 Mar. 1830. have actually cost the Company so many pounds sterling, because it is so officially certified.

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3781*a*. In making that calculation, had you regard to the annual accounts laid before Parliament, of the statement of the commercial profits of the Company which are here consolidated in No. 21 of these papers?—I have looked at that account.

3782*a*. Do you believe that account to be correct from your examination?—I dare say it is correct as far as it goes. It bears the official signature of Mr. Leach, and purports to be furnished from the India Board Office.

3783*a*. Does not that account show a profit to the Company upon their transactions?—I cannot perceive it.

3784*a*. Have the goodness to refer to No. 23, at the bottom of the page, where you will find a memorandum, which states, that the "amount set apart from surplus commercial profits for liquidation of debt, subsequent to 1st of May 1814, and not deemed repayable by the territory, has amounted in several years to a very large sum; altogether to £4,923,021?—I perceive a memorandum to that effect tacked to the bottom of the account No. 23; but I cannot find out where the profit comes from: it certainly does not arise out of this account.

3785*a*. Your evidence goes to state, that the dividend and the interest on the bond are paid out of the territorial revenues of India; whereas those accounts state that the charges paid in England, on account of the territory by the commercial branch, exceed the advances made in India to the commercial branch for the purpose of buying tea at Canton?—It is so stated in this memorandum. Profit is the balance of a commercial account, after a fair and full deduction of every description of charge; and there is no such account, that I can find, in this collection, to show a real profit upon the Company's commercial concerns.

3786*a*. Are you aware that it has never been admitted on the part of the Company that the interest of the bond-debts is chargeable upon the commerce?—I have seen it so stated; but my authority is the Act of Parliament.

3787*a*. Are you not aware that the Company, in the accounts they presented to Parliament, have regularly appended a note to reserve their claims to the bond-debt?—I have seen intimations to this effect.

3788*a*. Are you aware that the China ships are employed sometimes in carrying out troops and stores?—I am.

3789*a*. Do you suppose that the freight and demurrage upon ships so employed are fairly to be taken as chargeable entirely upon the commercial account?—Not on the commercial account. The political freight and demurrage are stated separately in this very table, No. 31, *viz*. in the second column.

3790*a*. You are understood to state, that after a strict exa-

mination of paper No. 21, you cannot perceive that any profit arises to the Company upon their general trade?—I cannot; neither can I find out whence this profit arises. The memorandum alluded to struck me at the time I first inspected these accounts; and, upon examining the two next accounts, 24 and 25, which may be considered as a kind of riders to the other general account 23, for they also contain a general statement of the debts and assets of the East-India Company, the one as the same stood on the 1st of May 1815, and the other on the 1st of May 1828, a fresh difficulty presented itself. In the first of those accounts, No. 24, after placing the whole of the assets against their debts, and estimating the former at their own valuation, there is a "balance deficient" stated in this account of £2,611,311, and on the account 1828 there is a "balance deficient" of £10,102,812, thus showing that the Company's affairs have deteriorated between 1815 and 1828, in no less a sum than about seven millions and a half sterling. These, therefore, are obviously not the accounts that would indicate any thing like profit in the Company's concerns.

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3791*a*. What, in your estimation, would be the reduction in the price of tea to the consumer in this country, if the Company's monopoly were done away with?—I stated that fully in my former examination.

3792*a*. Would that reduction be effected by a saving in the price of shipping, or the original cost-price in Canton?—Both the one and the other.

3793*a*. In what degree?—I have given it in detail in the Statement (B) delivered in upon my former examination.

3794*a*. In the event of the monopoly ceasing, and supposing that in consequence of that the persons who now trade to China had recourse to smuggling much more than it now exists, would not that diminish the disposition of the Chinese government to cultivate commercial relations with this country?—It does not appear to me that the opening the trade to China would increase the disposition to smuggling. There are only certain articles the import or export of which is prohibited in China. One of those articles, opium for example, I conceive to be of such indispensable necessity to the Chinese of all ranks, that it would be imported in despite of any duties or laws to the contrary; but with regard to all other articles of trade, I see no reason why smuggling should be increased from the circumstance of the trade being opened; or if it did increase in consequence of enormous duties or unjust laws, the Chinese government, with whom alone the regulation of this matter rests, would doubtless modify the system as soon as they should find it to be for their own interest to do so.

3795*a*. Would not you say that the smuggling is at present of less consideration to the Chinese government than it would

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be if the trade were thrown open?—As far as I am acquainted with the China trade, I do not believe that smuggling is a subject of so much consequence in the estimation of the Chinese government as it appears to be in ours, or else that they would take more effective measures for preventing it. There is no doubt that the Chinese authorities connive at the importation of opium into China. They are generally understood secretly to sanction it; besides which, a despotic government, like that of China, cannot fail to benefit itself in a variety of ways besides that of collecting legal duties.

3796a. Will you explain your reasons for thinking that, in case of the competition of an open trade, the cost-price of teas would be lower in China?—The Company, as it appears from the records in print, are in the habit of disposing of certain quantities of exports from this country, woollens, for example, to the Hong merchants; and they require the Hong merchants, who enter into contracts with them for teas, to take certain quantities of those articles in proportion to the amount of teas contracted for. It is very natural that the supercargoes should require as large a price as possible for the articles thus disposed of to the Hong merchants; but the latter pretend, at least, that on the re-sale of the articles they are subject to loss. In proportion, therefore, as they give high, or (as they say to them,) losing prices for the articles they take from the Company, they will as naturally demand higher prices for their teas in return. The Company's transactions with the Hong merchants are thus virtually a trade of barter. I have therefore no doubt in my own mind, that if the trade was thrown open, and the teas purchased for real ready-money prices by private merchants, they would be enabled to procure this article, if not immediately, at least in the course of a short time, at a cheaper rate than it is now paid for by the India Company.

3797a. Then the export of British manufactures from this country to China to that extent would cease?—My impression is that the export would be incalculably increased, and that for the reasons I have explained in my former examination.

3798a. You are understood to state, that those articles now exported appear to be taken by compulsion?—In the case I have supposed of free trade, there could be neither compulsion nor undue influence used. A private merchant must sell his goods for what he can get; if he cannot get a high price for those goods, he must take a low one.

3799a. Are the goods much in demand in China after they are sold to the Hong merchants by the East-India Company?—I conceive they are; but the Hong merchants are obliged to take them at a higher price than they themselves admit to be profitable to them.

3800a. Do they take them at a higher price than is given to

the American importers? – I have no access to American sales; but the Hong merchants, so far as we can learn from public records, state, or at least it has been stated for them, that they are losers by the woollens and metals they have taken at the Company's prices: it is therefore natural to conclude, that if they have been losers, they will put that loss upon the tea which the Company require to take from them in return.

3801*a*. Have you examined the prices of teas at Canton sufficiently to be able to say whether the merchants of other countries purchased them at a lower cost price than the Company?—I know that some private merchants have; those that have brought home tea in the privileged tonnage of the Company's ships.

3802*a*. Can you state whether it is the case with the American trade?—I have no document at hand to prove it; and I am unwilling to advance any thing as a fact without adequate authority; but I may add, that I have generally understood it to be the case.

3803*a*. Do you happen to know the rate of freight at which the East-India Company now charter their ships for a direct voyage to and from China?—I can only state that too from general information; because there is no official document for it in the papers now before me, but it is generally understood that the Company's large ships cost them from £20 to £25 a ton, including the Company's own ships, and taking into account the whole period of their present charter. At present the rate of freight is, I believe, somewhat lower.

3804*a*. Do you mean the ships now contracted for?—Yes; I mean the whole fleet of 1200-ton ships.

3805*a*. Will you be good enough to state the rate of freight at which you think you could yourself charter a first-rate merchant ship from this country for a voyage to Canton and back?—I have never, of course, had occasion to freight a ship from England to Canton and back; but I have no doubt that it may be done at the rate of about £12 per ton for the whole voyage. Besides which, if the trade were free, many ships would make successful voyages to India, the Eastern islands, or other parts, and thence to China; in which cases £8 to £10 per ton would amply remunerate them as a homeward freight.

3806*a*. Do you conceive that the articles of British manufacture imported into China from this country are sold there at a lower rate by the Americans than the same articles imported into China by the Company?—That I cannot tell, never having seen the account sales of an American consignment; but I conclude that they have upon the whole sold them at a profit; because otherwise, I think, they would not have carried on so large a trade as they have done for such a length of time.

3807*a*. Do you conceive the Company have fixed too high a

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price upon those articles?—I cannot positively tell what the actual price of the Company is, compared with the prime cost of the article, without seeing official documents for the purpose; but whatever that price is, the Company have of themselves stated that it has been attended with regular loss to them.

3808*a*. And yet you consider that the reason of the high price of tea, as purchased by the Company, is the high price which they place on articles of British manufacture exported by them to China, by which, according to your account, they are losers? —The prices for which the woollens are sold in China may produce the effect which I have explained on the price of tea, and yet be very possibly a losing concern to the East-India Company; for the *prices* of the Company's teas, and the *gain* or *loss* on their exports, are not regulated by a common ratio or measure. Those exports, in addition to prime cost, being loaded with certain charges, might be sold to the Hong merchants at a price which would either yield a gain or a loss to the East-India Company. In the present instance it is stated to be a loss; and I do not myself see how that *loss* is to be at all mixed up with the prices which the Hong merchants charge on the tea to the Company. The price of the tea will be affected by the *actual prices* charged on the woollens to the Hong merchants, whether that be gain or loss to the Company.

3809*a*. You are understood to state, that the reason why the East-India Company purchased their tea so disadvantageously, in your opinion, is on account of their compelling the Hong merchants to purchase their English manufactures at the high rate which they choose to affix upon them?—I have stated that as one cause; that is, that the *actual prices*, not the *gain* or *loss*, on the woollens, would naturally affect the price of tea: but I have no doubt, also, that if the trade to Canton was thrown open, and free competition allowed between buyers and sellers, that free competition would have the effect of increasing production and of lowering prices, in the same way that competition produces the same effect in all other parts of the world, and in all other branches of trade.

3810*a*. Does not this competition, in point of fact, at present exist with respect to other nations trading at this time in competition with the East-India Company?—There are no other nations that trade to China to any extent, that I am aware of, except the Americans; and the Americans cannot carry goods to China upon the same favourable terms that British traders could do, if they were freely admitted into the trade. I therefore think that the present prices of tea to the Company admit of no fair comparison with the rates at which they could be procured by British traders, if they were allowed free access to the port at Canton.

3811*a*. In what respect do the Americans now trading suffer

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disadvantages which would not be applicable to the English free-traders, supposing the trade were thrown open?—I explained that fully in my former examination. I explained how the facilities which British and Indian traders could reciprocally give to each other by means of free access to the port of Canton, was, in my estimation at least, a matter of so much national importance as to be entitled to the most serious consideration. The superior advantages hence resulting to British traders would not be confined to advantages over Americans alone, but over all the other traders of the world; and not only in respect of Canton itself, but for the conveyance of produce, both British and Asiatic, to various other countries.

3812*a*. Do you consider that there can be a free competition of trade carried on at Canton?—I have not the least doubt of it.

3813*a*. And that the establishment of the Hong would form no obstacle to such free competition?—From all that I have heard of the Hong merchants in China, and their disposition towards the free-traders who proceed from India to China, I cannot for a moment doubt their willingness to promote, and not to obstruct, a perfectly free trade with Canton.

3814*a*. Do you consider that the articles of British manufacture which are found the most saleable at Canton, could be sold at a lower rate than they are, in point of fact, sold by the East-India Company, and still at a remunerating price?—I think they might.

3815*a*. Is it to be collected from the answer you have already given, that you consider dollars to be the article with which the trade can be most advantageously carried on with regard to the trade at Canton?—At present it is commonly supposed that dollars are the article mostly to be depended on for the purpose of purchasing commodities in the China market. In certain proportions they are perhaps the most advantageous, under the present limited circumstances of the trade; but if the trade was thrown open, I conceive that a great change would take place in the general course thereof, much the same as has taken place in India. Formerly it was thought necessary to carry bullion to India; at present we find that there is no necessity for conveying either gold or silver to India; that goods will answer as well, and in some cases better; and I do conceive that, in the course of perhaps the same time which has been occupied in giving a taste to the Indians for British manufactures, the same effect will probably be produced upon the Chinese.

3816*a*. Do you mean to say that, at this time, any other cargo will be an equally profitable investment in the Indian trade with dollars?—Certainly I do; I say that from perfect knowledge of the fact.

3817*a*. Has the export trade to India been uniformly a profitable one?—I do not say uniformly. In all great branches of

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trade, like that which exists between England and India, there must inevitably be losses. I believe there is no other great branch of trade, out of Great Britain, in which losses are not equally experienced; but I do say that, upon the whole, the export trade to India has been profitable to those concerned in it. I could myself state instances where I know that consignments of goods from this country to Bombay have yielded a profit of upwards of 50 per cent.

3818*a*. Do you conceive that any portion of those losses has accrued from consignments of dollars to India?—No; my position is, that dollars are not now sent to India; and certainly no consignment of dollars would ever yield such a profit as I have before stated.

3819*a*. Are you not aware of many severe losses incurred in the export trade to India?—I have heard of losses, and I have no doubt that many losses have been incurred, but I am not particularly acquainted with any.

3820*a*. Are you not aware of many consignments of European goods to Calcutta having been sold under European prime cost on many occasions?—In large branches of trade, like that between India and England, consignments will be often sent to India that are ill calculated for the Indian market. At the first opening of the trade, several manufacturers in this country, and other speculators, anxious to get rid of old stocks, sent out those stocks to India, in utter ignorance as to whether they were or were not fit for the Indian market. Many of those consignments certainly sold at a considerable loss; but where goods are sent out to India well suited to the market (and many of such goods have passed through my own hands), I know, and speak positively, to their being attended with profit to the consignors.

3821*a*. Do you consider that the losses which may have taken place in the export trade from England to India have been more or less than the losses which have taken place in other branches of export trade?—When I look at the return of the export trade from England to India, and the enormous increase that has taken place since 1813, I cannot conceive the possibility of that trade in the aggregate being otherwise than profitable.

3822*a*. Is it not within your knowledge that within the last few years, and even now, considerable quantities of bullion are brought from India to Great Britain?—Certainly it is. And this is another marked change in the history of European intercourse with India.

3823*a*. Can you state what proportion of the export trade from this country has consisted of cotton?—I could not state it from recollection, or without referring to official documents; but the quantities are upon record, and I believe on the table of the Committee.

3824*a*. Do you know that the price of those articles has been

greatly reduced in this country since the trade was partially opened?—I do know it. 29 Mar. 1830.

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3825a. Has not that been the means of spreading our manufactures in India to the detriment of the manufactures in that country?—It has been the means of widely spreading the use of British manufactures.

3826a. Have not the muslins of Glasgow superseded, in a great degree, muslins the manufacture of India?—They have; but, according to my view of the case, greatly to the advantage of India.

3827a. Did you ever hear that half a million of weavers were thrown out of employment in the Dacca district?—Such is the poverty of the lower classes of Bengal, as well as in other parts of the country, that we know on the best authority that the weavers there are, as elsewhere, also cultivators of the soil; or, as they are commonly termed, ryots; and in as far as their attention is now confined, or can be confined, to one branch of business instead of being devoted to two, I conceive that the change will be greatly for their advantage. If, in the interim, the inhabitants of India can get Glasgow muslins at a cheaper rate than they can Dacca muslins, there can be no question about the policy of encouraging the import.

3828a. Do you think that it would be of advantage to India that the whole of that class of weavers should be deprived of their employment?—I think that India is now in that state in which it would be most for its advantage to have its industry directed to the raising of raw produce, instead of to the production of dear manufactures.

3829a. And to have no manufactures?—If the native Indians can be supplied with manufactures at a cheaper rate by England than they can manufacture them at home, I think it is decidedly for their advantage to take our manufactures in preference.

3830a. Can you state how many millions of weavers there are in India?—I cannot.

3831a. Do not you know that they are a very numerous class?—They are a numerous class: but the larger proportion of them are, as I said before, cultivators also.

3832a. You have stated, that in your opinion the great introduction of cotton manufactures into India has superseded the manufactures of India; do you suppose that the government of China would allow the introduction of articles into that country which should supersede the manufactures of their own inhabitants?—The government of China would, in my opinion, act very absurdly, if they interpose their authority to prevent the introduction of a commodity into China which was to benefit their own subjects, and improve their own revenue.

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3833*a*. From your knowledge of the government of China, whether absurdly or not, do you believe that they would interpose to prevent the large introduction of such manufactures?—I know nothing of the present intentions or motives of the government of China: I can only reason on the improbability of the thing, from its being so obviously at variance with the interest, not only of the people, but of the government itself.

3834*a*. Supposing they were so disposed to act in the manner suggested by the question, do you think, if it were for the interest of the consumers to obtain cheap manufactures, that the government of China could prevent the introduction of manufactures into that country?—I have always considered the Chinese to be so truly a commercial and industrious people, that if any injurious laws or regulations of that nature existed in China, they would, as they have done with regard to opium and dollars, most completely set them at nought.

3835*a*. Supposing the ryots in India were entirely to abandon the occupation of weaving, what effect do you conceive that would have upon the agriculture of that country?—Under certain modifications of the agricultural, or rather revenue systems of India, I think it would have a very beneficial effect upon the state of agriculture generally. It would tend to the raising of various articles of raw produce in greater abundance than at present; and this is an object to which the Indians in their present low state of civilization and wealth, might have their attention directed with the greatest prospect of benefit to themselves.

3836*a*. Are there not opportunities of improving the agriculture of India, both by extending the quantity of surface under cultivation, and also by improving the methods of cultivation upon that which is already cultivated?—The countries that we possess in India are, generally speaking, of the most fertile and productive kind; but the system of agriculture is bad in the extreme, and the wretchedness of the people equally so. Under a different system, and with improved resources, the agriculture of India would be extended not only over larger surfaces of country, but also very much improved in those parts of it which are now in a productive state.

3837*a*. In the most fertile parts of India are there not very considerable portions of country which are not now cultivated at all?—There is a great deal of waste land, which under a different system might be brought into cultivation; but I think that the cultivation of those lands and districts which are now occupied and worked, might be materially improved by the application of capital, if the means were only granted for its natural accumulation. India now produces many articles of great importance and most extensive consumption in this country, and is capable, with due encouragement, of extending these supplies to meet any demand that might arise for them here.

3838*a*. Then you conceive that the first improvement in agriculture would be to improve the cultivation of those lands which are now cultivated by the application of additional capital, rather than by bringing waste lands into cultivation?—Probably it would. I allude, however, to the advantages which would result, in either or both cases, from free intercourse and the accumulation of capital. The preference of one to the other would depend, in many instances, upon local circumstances and the vicinity to markets.

3839*a*. Is it not the fact, that at the present moment European manufactures are admitted into China by the Chinese government?—They are.

3840*a*. Are you aware whether or not it is considered the policy of the Chinese government to exclude any species of British manufacture?—I am not aware of any regulation or law to that effect. I know that British manufactures are annually exported from this country to Canton.

3841*a*. Are there not some laws excluding the export of their own manufactures?—There are laws prohibiting the export of silver.

3842*a*. Do you not conceive that the course of trade now carried on between the Company's Factory at Canton and the Hong merchants resolves itself very much into a trade of barter?—Virtually it does, certainly, as I have explained in a former answer.

3843*a*. And therefore the prices of the British manufactured commodity on the one hand, and of the tea on the other, may be arbitrary prices, and not regulated by the prices in the market?—Certainly.

3844*a*. Would not that explain, to a great degree, the losses which the Company state themselves to sustain upon the sale of woollens, and might it not enhance the gains which they are stated to derive upon the sale of tea in this country?—If the prime cost of tea was raised in China in consequence of this barter trade, it would rather diminish their profit in this country than increase it. A high prime cost in China would, however, occasion a higher upset price in the sales in this country.

3845*a*. As long as the trade is a trade of barter, is it not difficult to say upon which part of the trade a gain or loss ensues?—It would be difficult, I think, to state the actual amount of loss on either side, as between the sale of one article and the purchase of another, but no difficulty in ascertaining the aggregate amount of loss on the whole adventure.

3846*a*. You are aware that the Chinese manufacture a great deal of cotton into cloths of various descriptions in China?—I am.

3847*a*. Is it within your knowledge that the East-India Company have very recently sent British manufactured cotton cloths to Canton?—It is so stated in the official documents.

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3848*a*. Would you infer from that that there can be any disposition on the part of the Chinese to exclude the manufactured cotton cloths of this country from China?—I cannot form a conception of the Chinese being averse to receive an article into China, which is so perfectly consonant with their own wants and their own habits.

JOHN CRAWFURD, Esq. again called in, and examined.

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3849*a*. HAVE you any further information to offer to the Committee in addition to the evidence you gave on a former day?—I was asked respecting the freights from China to Sincapore: I have got a short paper upon that subject which I will read; it is a statement of the freight in Chinese junks in the year 1821. In a voyage from Saigun, in Cambodia, to Sincapore, the rates of freight in junks are as follows: For fine goods, such as cotton and silk manufactures, 10 in 100; for tea, 10 in 100; sugar, 20 in 100; rice, 40 in 100. From Amoy and Fokien to Sincapore, the freight paid for black tea is 1 dollar 40 cents per pecul, equal to between one halfpenny and three farthings per pound.

I have also a statement of the particulars of the cargo of a junk from Amoy in Fokien, which arrived at Sincapore on the 25th January 1824, after a voyage of thirteen days, burthen between 200 and 250 tons; it is as follows: Earthenware, of 32 different sizes and patterns, 660,250 pieces; flooring tiles, 10,000; coping stones, 200; black varnished paper umbrellas, 12,000; variegated ditto, 3,000; pastry, 50 boxes; confectionery, 166 boxes; dried fruit, 60 boxes; kin-chin, a kind of esculent plant, 12 bundles; dried fungus, esculent, 6 boxes; dried mushrooms, 6 boxes; dried fruit, 40 baskets; sugar-candy, 50 boxes; vermicelli, 8 boxes; salt fish, 5 baskets; kanlan, a fruit somewhat resembling an olive, and pickled in salt, 100 jars; medicines, 10 bags; silk shoes, 10 boxes; cloth ditto, 10 boxes; straw ditto, 5 boxes; incense rods, 20 boxes; lamp-oil, 10 casks; tobacco, for the market of Celebes, 350 boxes; ditto, for the use of the Chinese residents, 220 boxes; combs, 10 boxes; hair pencils, 1 box; dry salted vegetables, 40 jars; pickled ditto, 400 jars; nankeens, 100 bales; ditto, 20 boxes; gold laced thread, 20 boxes; tea, 110 boxes. The total value of the cargo was estimated at 60,000 Spanish dollars, or near £13,000.

The next statement I have is the estimated value of the cargoes of four Chinese junks which arrived at Sincapore in 1824 and 1825. In the Canton junk which arrived at Sincapore in 1824, the value of the cargo was 75,000 dollars, burthen 600 tons. In a junk of Amoy of the same year, the value of the cargo was 60,000 dollars, burthen 225 tons; of a Canton junk that arrived in 1825, the value of the cargo was 20,000 dollars, her burthen 375 tons, and the number of her passengers 670. In the

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Amoy junk that arrived in 1825, the value of her cargo was 100,000 dollars, her burthen 476 tons, and the number of her passengers 625.

I have also the particulars of the cargo of a Siamese junk which arrived at Sincapore in 1824; they are as follows: white sugar, 1,350 peculs, the value of which, at 6 Spanish dollars 50 cents per pecul, was 8,775 dollars; coarse sugar, 80 peculs, at two dollars 66 cents, value 212 dollars; fine rice, 20 koyans, at 68 dollars, 1,360 dollars; coarse rice, 25 koyans, at 55 dollars, 1375 dollars; salt, 20 koyans, at 27 dollars, 540 dollars; oil, cocoa-nut, 150 peculs, at 5 dollars 66 cents, 849 dollars; stilac, 150 peculs, at 13 dollars, 1850 dollars; nankeens, large, 1,000 pieces, at 60 dollars per 100, 600 dollars; tobacco, 25 peculs, at 16 dollars per pecul, 400 dollars; salt fish, 50 peculs, at five dollars, 250 dollars; the total amount of Spanish dollars is 16,212.

JOHN STEWART, Esq. a Member of the Committee, was examined.

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3850*a*. How often have you been in China, and during what years?—I have been in China seven times. I first went to China in the year 1800. I was also there in 1803, in 1804, in 1805, in 1806, and in 1807-8; and I was there also in 1817.

3851*a*. Had you extensive dealings with the Hong and outside merchants when you were there?—I had, during several of the years I have mentioned; in some of the years I had no dealings with them.

3852*a*. Will you state what opinion you have formed of them as a commercial people or an anti-commercial people?—From the intercourse I have had with the Chinese at Canton, I certainly consider them a people of very great commercial enterprize, although I believe the policy of the Chinese government is against extending the foreign commerce of the country.

3853*a*. Have you not visited almost every port of India?—I have.

3854*a*. Will you state to the Committee what comparative facility for transacting business, with reference either to the captain of a ship or to the merchant, there is at Canton, compared with the facility at Madras, Bombay, or Calcutta?—I think the facilities afforded by the Chinese for the transaction of commercial business at Canton are decidedly greater than at any other port of the world that I have ever visited.

3855*a*. Were you present at Canton at any time when the commercial intercourse was interrupted between the Company and the Chinese?—Yes; I was there in 1807 or 1808, when it was suspended in consequence of Admiral Drury taking possession of the island of Macao.

3856*a*. Will you state how the interruption began, and what were the consequences arising out of it?—Admiral Drury ar-

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rived at Macao, on the coast of China, I think, about the month of August or September 1808, and he landed a military force from his squadron, including some transports he had under his charge, and took possession of the island of Macao, with the consent, as I understood, of the Portuguese, who surrendered it on some understanding between the two nations. Immediately on this being made known at Canton, the Chinese government insisted upon our troops being withdrawn, which was refused, and they immediately put a stop to all commercial intercourse with the British, and declared their determination not to renew any commercial intercourse with them until our troops were withdrawn from Macao.

3857*a*. Did they actually suspend all commercial intercourse with English ships?—Entirely so, both with the country ships and with those of the East-India Company; and on that occasion, I think the suspension continued for a period of four or five months, to the best of my recollection.

3858*a*. Had the Company's supercargoes any thing to do with the cause of that interruption?—Yes; it was understood that they had: indeed I had reason to know that the expedition was sent by the supreme government of India to take possession of Macao, in consequence of an opinion that the French had an intention of that sort, and the expedition was sent to anticipate the supposed intentions of the French. Admiral Drury came to China with orders from Lord Exmouth, who at that time commanded in chief in the Indian seas, to act in concert with the Select Committee of Supercargoes at Canton, and that he was not to adopt any measures that did not meet with their concurrence; that fact I have heard Admiral Drury repeat himself frequently on that occasion.

3859*a*. How was that interruption terminated?—During the four or five months that the trade was suspended, negotiations were constantly going on between the Chinese authorities and the British admiral and the Select Committee, and also between the Chinese authorities and commanders of the country ships, and the trade was not renewed until the whole of the troops were withdrawn. It ended in the admiral withdrawing the whole of the troops from Macao, and returning with them to India; and as soon as the troops were embarked the trade was re-opened.

3860*a*. Were you at Canton all that period?—I was there during the whole of that time.

3861*a*. Had you any opportunity of knowing how the Chinese merchants considered that interruption?—They considered it as a very great grievance; and I had occasion to know that it produced a great deal of misery and distress amongst the Chinese merchants, and to the trade in general. I had on that occasion very large consignments of goods in my own hands;

I think I had that year four or five ships and their cargoes consigned to me at Canton. At the period that the suspension of commercial intercourse took place, some of those cargoes had been sold, and some had not: those that had been sold previously were sold at very fair prices; but when I came to negotiate a sale of what remained on hand, after the trade was re-opened, I found that the prices were greatly fallen, and that the ability of the purchasers to make good those prices had also been materially impaired, in consequence of the suspension of the commercial intercourse that had taken place. I was, in fact, in that year obliged to quit Canton, leaving a very large amount of money there belonging to my constituents, which I found myself utterly unable to recover that season.

3862*a*. Did this interruption of trade affect the American ships as well as the British ships?—Not at all.

3863*a*. Did they continue to carry on their trade during this interruption of the British trade without any difficulty?—Yes, without any difficulty.

3864*a*. Is it your opinion that the Chinese government would find it very difficult to put an end to the foreign commerce with England?—I think they could do it; but I am of opinion that if the Chinese government were to put an end to that commerce, it would produce great misery and distress in China, particularly at Canton, where it is carried on.

3865*a*. Would the government, in your opinion, be strong enough to accomplish the putting an end to the trade?—My opinion is, that an edict of the emperor of China might be so enforced as to put a stop to all the regular foreign trade carried on with China; but I do not think that the Chinese government could prevent smuggling being continued on the coast of China, even if they put a stop to the regular trade.

3866*a*. Then you do not mean to say that you think the Chinese government would have power to put a final stop to the progress of the trade?—No; I think that a smuggling trade would be carried on on the coast of China to a very considerable extent, in spite of any act that the Chinese government might adopt.

3867*a*. Do you then infer that it would only change the character of the trade from a legal trade to an illegitimate one?—It would also have the effect of diminishing it very considerably. I do not think that the smuggling trade alone could be carried on to the same extent to which the legal trade and the smuggling trade together are carried on now.

3868*a*. Would the distress arising from such a prohibition be much felt in the interior as well as in Canton?—I do not feel competent to answer that question, not having been in the interior; but I suppose in the tea provinces it would be very

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3869a. Do you think that if this interruption of the trade took place, a place would not be found out in the neighbourhood of Canton to carry on the commercial transactions as they now carry them on at Canton, particularly in the tea trade?—If the trade were put a stop to by the Chinese government, it would prevent any ship from being admitted into a port of China.

3870a. Do you think the trade could be carried on in the neighbourhood of Canton, in any of the islands?—Yes; I imagine that tea might be conveyed, and in all probability would be conveyed, to the islands on the coast of China: it might be smuggled from thence, or it might be sent in Chinese vessels to the islands in the Eastern Archipelago, and could be exported from thence.

3871a. Would it be sufficient to supply the wants of this country?—If the Chinese permitted the export of tea in their own vessels, I am decidedly of opinion that a sufficient quantity might in that way be exported from China to supply the wants of all Europe.

3872a. Do you suppose that they would do that under such circumstances?—I think they would. The Chinese are a people of great commercial enterprize, and I think would be disposed to send tea wherever they could find a sale for it with advantage.

3873a. Have you not stated that the people are a people of commercial enterprize, but that a spirit of jealousy might exist on the part of the government?—I stated that the people are a people of great commercial enterprize, though I have understood that the policy of the Chinese government is averse to extending its foreign commerce.

3874a. Do you understand that policy on the part of the Chinese government to have any reference to the extension of their trade in Chinese junks with the Indian Archipelago, or to be limited to the trade of European vessels within the waters of China?—I have understood that the Chinese government is averse to foreign commerce, even in their own vessels, and that they discourage the subjects of their own empire from going abroad at all, or from engaging in foreign trade.

3875a. Have you known any cases in which Chinese of high rank at Canton have been engaged in foreign commerce?—I have not.

3876a. Have you ever known any instance of a person wishing to emigrate, or wishing to carry on foreign commerce, being prevented by the Chinese authorities?—No, I never have. When any Chinaman wishes to leave China in a British ship, he is obliged to do it by stealth; it would be prevented if

it were known. I have had occasion to know this, as Chinese are sometimes employed as seamen in British ships. 29 Mar. 1830.

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3877a. From your knowledge of the India trade generally, what do you consider would be the effect of opening the trade at Canton to the British generally?—I think the effect of it would be very favourable, especially as regards the export of British manufactures and produce, which, in my opinion, would, under such circumstances, be consumed in China to a very great extent indeed, in the course of a very few years.

3878a. What is the ground of that opinion?—The ground of the opinion is, that woollens and metals are articles of very considerable demand amongst the Chinese. Metals of every description are much required in China, and the exportation of them is strictly prohibited, except lead; that, I believe, is the only metal allowed to be exported. I conceive, therefore, that China would take off a great deal of iron, copper, and tin, also of woollens, and of cotton manufactured piece-goods and cotton yarns, the consumption of all which is now on the increase in China, as I have reason to know.

3879a. Are the Committee to understand, that whatever amount of manufactures could be exported, there would be plenty of Chinese produce to bring back in return, and that there would be no difficulty in remitting money to England?—No difficulty, in my opinion, if the trade were perfectly open, as, from the varied productions of China, it would afford ample means of profitable returns, or, at all events, of returns without loss, to almost any extent.

3880a. What effect, in your opinion, would be produced on the general commerce of India by the opening of the trade between China and England direct?—It no doubt would be very favourable to India; it would increase very considerably the exports from British India to China, because then we should be enabled to make our returns profitably from China direct to this country, which is a channel that we very much require to be opened, instead of making returns, as at present, exclusively to India, and in articles that do not always sell to a profit there.

3881a. Would not that promote the exportation of all kinds of British manufactures from England to India, which are much limited by the want of means of remittance?—It would no doubt have that effect.

3882a. From what you know of the character of the Chinese government, would you contemplate the opening of the trade at Canton without some established board or authority to represent the British government there?—I am of opinion that if the trade were open, it would be necessary that a body should be constituted at Canton, with ample powers to exercise a most rigid and effectual control over every British subject going to China.

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3883*a*. Do not the Select Committee of the Company at Canton now exercise that authority over all their officers and seamen?—They do; they have ample power of doing so by Act of Parliament.

3884*a*. Do you contemplate any greater authority to be exercised over Englishmen generally, than the Company have now over their own servants?—No; I should think that no greater authority would be requisite. I think their powers are very ample, and they extend to all British subjects, as well as to the servants of the Company.

3885*a*. Do you consider that the substitution of a Committee deputed by the King would be attended to more than the Select Committee from the Company now?—Yes; I am of opinion that it would be more respected by the Chinese authorities than the servants of the East-India Company.

3886*a*. On what do you ground that opinion?—A circumstance occurred in China with Admiral Drury, when I was there, which may illustrate what I have stated, although my opinion is not exclusively grounded upon it. During the negociations that were going on with Admiral Drury on that occasion, he was very anxious to have a personal interview with the Viceroy of Canton, all their communications having previously been carried on through the medium of the Hong merchants. It was at one time understood that the objections of the Viceroy to this personal interview had been overcome, and it was intimated to Admiral Drury that the Viceroy was disposed to receive him. In consequence of this, Admiral Drury came up to Canton, accompanied by boats from every ship in the fleet. I was one of those that attended him on that occasion, when he landed with a considerable number of marines at Canton; but after being there two days the Viceroy refused to receive him; he returned to Whampoa without having had an interview with the Viceroy. It was stated at Canton at the time, and I have no doubt truly stated, that when the Viceroy consented to receive Admiral Drury, he did so in consequence of having been informed that Admiral Drury was an officer of rank holding a commission from the King of Great Britain, and that he might consequently have admitted him to a personal interview without any degradation to his own rank as Viceroy: but after the Admiral had come to Canton, he was given to understand that the Admiral had come on to China at the request or by the desire of the Governor-general of India, and the Viceroy then said that he could hold no communication with him, as he was deputed by a governor or servant of the East-India Company, who were only a body of merchants, and he could not in consequence receive him. That was what we understood to be the case at Canton at the time.

3887*a*. Then from that and other opportunities of observa-

tion you have had, you think that an officer bearing the direct authority of the King of England, instead of the authority of the Company, would have a better chance of being received and treated with by the authorities of China?—Yes, I do; by the public authorities of China certainly.

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3888*a*. As a person well acquainted with the Canton river, what is your opinion of the difficulty or dangers attending the navigation up to Whampoa?—There are fewer dangers, I think, in the Canton river than in almost any navigable river that I am acquainted with. There are several shoals as you approach the river, but they are mostly mud; upon which, if a ship grounds, she seldom receives any damage.

3889*a*. What is the greatest strength of current?—The current is always very moderate; I should think the greatest strength does not exceed three or four miles an hour, tideways.

3890*a*. Do you call that moderate?—Very moderate. We have it nine, ten, and sometimes even twelve miles per hour, in the Ganges. In the Canton river, it is tide only, but in the Ganges the strength of the tide is often augmented by the river floods.

3891*a*. You have stated, that the last time you were in Canton was in 1817-18; have you had any dealings with China since that period as a merchant?—Yes; I have continued ever since that period, and am now, engaged in the trade with China to a very considerable extent.

3892*a*. During the time you were there yourself, or since your return, has any agent of yours had occasion to apply to the Company's Select Committee for assistance, to enable you to carry on any part of your commercial dealings?—Never.

3893*a*. Whilst you were in China upon any occasion, do you recollect any instance of any country officer or agent from India having occasion to apply to the Company's servants for such assistance?—I am not aware of any instance.

3894*a*. Are you aware of the rate of freight which the Company pay for their cargoes home from China?—I understand that one of the ships last chartered by the Company, the Orwell, was engaged at £18 a ton. I understood that to be for the whole voyage out and home; but I state this only from hearsay.

3895*a*. How long would the vessel be engaged in that voyage?—I apprehend it is about fifteen or sixteen months from the time they leave this country to the time when they generally return.

3896*a*. How much of that £18 do you suppose would attach to the cargo of tea from China to London?—I should think,

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with reference to the rate of freight outward-bound to India now, that at least £15 or £16 of it would attach to the freight home. The outward freight to India now is, I may say, little or nothing; you may get goods out for 5*s*. or 10*s*. a ton.

3897*a*. At what rate could you charter a ship, say of 500 or 600 tons, for a voyage to and from China?—I have no doubt I could charter a ship direct to Canton and back for £10, or at most £12 a ton; indeed I think I could charter fifty ships in the Thames at this moment on these terms.

3898*a*. Of the size of the Orwell, do you mean?—Not of the size of the Orwell.

3899*a*. What period do you contemplate for a direct voyage out and home to China, allowing six weeks or two months in China to deliver and receive cargo?—I should say certainly within from ten to twelve months; but for a ship of 500 or 600 tons, we should not require six weeks, or any thing like it, at Canton.

3900*a*. Have not large ships an advantage in Canton river, which smaller ships have not, in paying less port-charges and measurement?—Yes; they have a very great advantage, as the port-charges there upon a large ship are much lighter in proportion to her tonnage than they are upon ships of smaller burden.

3901*a*. Have the large ships any advantage in the stowage of a tea cargo home, over ships of 500 or 600 tons?—None, that I am aware of.

3902*a*. Have you stowed several cargoes of tea yourself?—I never stowed a cargo of tea, but I have stowed other cargoes in ships of from 500 tons up to 1200 tons; and I am not aware that a ship of 1200 tons can possess any advantage in the stowage of tea over a ship of 500 or 600 tons.

3903*a*. Do you mean to say, that the lighter port-charges which large ships pay in China is the only advantage which you know those ships possess over ships of 500 or 600 tons?—The only advantage that I am aware of as merchant ships.

3904*a*. You are, of course, aware that they are calculated to be made ships of war on emergency?—They are unquestionably the finest merchant ships in the world, and very easily convertible to warlike purposes when it is necessary.

3905*a*. Have you known it to be often necessary to use them as ships of war?—I have known several instances of it in India during the last war; not very many instances.

3906*a*. Do you mean where they have received additional hands and have been manned as frigates?—Yes, having had additional guns, and troops put on board.

3907*a*. Is not there a great deal of piracy in the Indian seas?—Very little indeed. In the Eastern Archipelago, in the China

seas, there are some pirates, and also on the coast of China; but in the Indian seas it is a thing at present almost unknown. In the Persian Gulf there are some Arab pirates, I believe.

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3908*a*. Have not the ships you have known employed as ships of war been generally 800 and 900-ton ships; did you ever know a China ship so employed?—Yes, I recollect on one occasion, that four Bombay and China ships, of 1200 tons each, in the year 1804 or 1805, were all armed before they left Bombay, in consequence of there not being sufficient convoy there to accompany them to China. Admiral Linois had appeared upon the coast of Ceylon, and taken the Brunswick a few weeks before. They had with them a small ship, the Sir Edward Hughes, that had formerly been in the Company's service, but she was not reckoned sufficient protection without arming the ships also.

3909*a*. With respect to the other ships that you have known armed as frigates, have not they generally been the smaller classes of Company's ships?—I am not aware of any instance at this moment, except the Sir Edward Hughes, and another small ship of 800 tons, the name of which I forget.

3910*a*. During the time you were in the East-India private trade, were there any 1200-ton ships in that trade between Bombay and China?—Several from Bombay.

3911*a*. Are there any of them now in that trade?—None.

3912*a*. What ships are now used principally for the China trade to Canton?—From Bombay the ships are generally from 600 to 800 tons; there is one of nearly 1000 tons; formerly there were five or six 1200-ton ships.

3913*a*. Do you know any reason why those large ships have been discontinued in the trade to China, if it is so advantageous to trade to Canton in large ships?—I apprehend it has arisen in a great measure from the difficulty that private merchants would often have in fitting out a large ship, from the additional capital beyond what would be required to trade with a smaller ship. It is much more within the compass of a private merchant to trade with a ship of 600 or 700 tons than with one of 1200 tons; and I have reason to know also, with regard to several of the 1200-ton ships built at Bombay for the country trade, that they have now fallen into the regular trade of the East-India Company, because their owners were able to transfer them to the Company on more advantageous terms than could have been expected by keeping them in the trade from Bombay to China.

3914*a*. Can a large ship be built at as cheap a rate per ton as a small one?—Generally speaking, I think not. They require

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a larger scantling of timber; and crooked timber, when it exceeds a certain size, is very expensive indeed.

3915a. Can you form an estimate of the difference per ton?—I cannot, without previous calculation, form an estimate.

3916a. Is not the advantage gained in the measurement duty on a 1200-ton ship at Canton counterbalanced by the inconvenience of being obliged to load and unload below Whampoa?—I should think that the advantage gained by the size, with regard to the port-charges, is greater than the disadvantage arising from the circumstance mentioned, of being obliged to load partly below the second bar. They very seldom unload there, and I believe that they might load wholly at Whampoa, but it certainly lessons the risk to send them below the second bar to complete the cargoes.

3917a. At what rate per ton could you estimate the advantage that a 1200-ton ship has over a 600-ton ship in the payment of Canton port-charges?—I should not estimate it above £2 per ton; but I feel a difficulty in giving an opinion upon the question without going into a calculation.

3918a. From your own experience, what class of ships do you think best calculated to carry on the trade between England and China?—I should say, from 600 to 800 tons.

3919a. You stated that the Viceroy objected to receive Admiral Drury, when he believed that he was deputed by the Governor-general, acting under a company of merchants; are you aware that the Select Committee are in the habit of direct intercourse with the Viceroy?—No, I am not aware of that.

3920a. Do you know that they never do go to the Viceroy?—I never heard of the Select Committee going personally to the Viceroy.

3921a. Are the large ships of 1200 tons suited to any other trade in the East but the China trade?—I think not; not so well suited as the smaller ships.

3922a. Would not it be an additional motive to a merchant to employ a smaller-sized ship that his ship was applicable to other trades, if he wished to apply it to them?—No doubt it would.

3923a. Do not ships often return from Canton to India in ballast?—They often return with very small cargoes indeed; just enough to serve as ballast.

3924a. What is the actual amount of freight which is now paid from England to Calcutta and back?—I cannot speak with regard to Calcutta; but I know that within the last eighteen months or two years the house of which I am a member has

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chartered several ships from England to Bombay and back, at rates not exceeding £8 or £9 sterling a ton.

3925*a*. You have stated that it would require £10 or £12 a ton to charter a ship to Canton; would the voyage be much longer from England to Canton, than from England to Bombay?—About a couple of months.

3926*a*. What is the cause of the great difference in the freight?—I calculate upon the owner of the ship having to pay the port-charges at Canton.

3927*a*. Do you happen to know whether there is a considerable charge for demurrage upon the Company's ships in the Canton river?—I have understood that there is a charge for demurrage if they are detained beyond their time.

3928*a*. Is it not a fact that there is a much larger charge for demurrage for the Company's ships than there is, commonly speaking, upon ships carrying on private trade?—I am unable to answer that question.

3929*a*. Do you know what was the charge for demurrage upon the Company's ships at the time of the interruption of the trade in consequence of Admiral Drury's affair?—I do not.

3930*a*. Are you aware that a large number of Chinese find their way out of China in Portuguese ships, and that there is no considerable difficulty in their leaving the country?—There is no great difficulty; a great many find their way out in English ships, and ships of all nations. They receive them on board at night, after the ship leaves the river.

3931*a*. When you speak of the request in which metals are in China, do you mean manufactures of metals, or do you mean metal in an unmanufactured state?—I meant to apply that to metals in an unmanufactured state.

3932*a*. You have spoken of the great advantage it would be to merchants in the country trade to be able to bring a return-cargo immediately from China to England; is it your opinion that if the trade were opened the principal proportion of it would take that course; namely, from England to India, from India to China, and from China back to England?—I think a very considerable proportion of it would take that course. I mean, out of the goods sent from India to China a considerable part of the proceeds would come from China to England, and go out to India again in the manufactures of this country.

3933*a*. Do you think that the trade between this country and China would be carried on in a great measure through India, or direct from here to Canton and back?—I think a considerable portion of it would be carried on through India, and also a great portion of it direct to China.

3934*a*. Should you esteem it a great advantage to British

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private merchants to be admitted to China, supposing their present monopoly to be reserved to the Company?—I should certainly consider it a great advantage.

3935a. You mentioned several articles as likely to come from China; what other articles are there besides?—Silk of every description, both manufactured and raw, and a variety of articles: camphor, cassia, musk, &c. and many other things.

3936a. Could China supply a great quantity of raw silk?—A great deal.

3937a. Are not those articles imported now by the officers of the Company to the full extent of the demand in London?—I should say not to the full extend of the demand, because we import a considerable quantity of China goods circuitously through India.

3938a. Are you aware what has been the out-turn of adventures from China to England these last few years?—I have no knowledge of that.

3939a. Have you any reason to believe that it has been a gaining trade?—I have no reason to believe either that, or otherwise.

Martis, 30° *die Martii*, 1830.

CHARLES POULETT THOMSON, Esq. a Member of the Committee, examined.

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3940a. Did you see Mr. Cushion, and explain to him that a summons had been issued by this Committee to require his attendance?—I did.

3941. Did you state to him that the Committee would not enforce by all the means in its power that summons, if he had a decided objection to attending?—I stated to Mr. Cushion, that it was the anxious desire of the Committee that he should attend. He expressed himself, as he had done before, extremely unwilling to come and give evidence. He, however, gave me no positive answer as to what he would do, but he requested time to reflect upon it. On the following day he sent me the letter which I have proposed giving in to the Committee, in which he declines attending, because he considers it impracticable for him to give evidence without injuring the interests of his friends in America, and without acting against the feelings of friends whom he has.

3942a. Did you understand from Mr. Cushion, that his objections were so strong that he would probably be induced, at considerable personal inconvenience, to leave the country rather than comply with the summons, if it was peremptorily enforced?—I did.

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3943*a*. Is not Mr. Cushion a citizen of the United States, who has resided a great number of years at Canton?—He is.

3944*a*. Did you give him to understand that the Committee would not enforce the summons if it was unpleasant to him to come?—I gave him to understand that the Committee were very anxious that he should attend; but that if he positively objected, I did not think it likely that the Committee would enforce his attendance at all inconvenience and at all risk to him.

JOSHUA BATES, Esq. again called in, and examined.

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3945*a*. In the purchase of tea at Canton, in what money is the transaction settled between the Chinese and the purchaser? —In tales.

3946*a*. Is the tale a current coin in China, or is it a money of account?—It is a money of account, there is no coin of that kind.

3947*a*. Does it represent a certain quantity of silver?—The tale is a weight, containing $579\frac{8}{10}$ English grains; it is used as a weight, also as a money of account.

3948*a*. But uniformly the purchases of tea are calculated in tales?—They are uniformly.

3949*a*. Is there any course of exchange between Canton and this country?—A regular quotation of exchange is given in letters from Canton.

3950*a*. Can bills be drawn according to the rate so quoted? —They are so negociated to a very considerable amount, and I judge could be to a much larger amount.

3951*a*. To what amount have you known bills drawn from China upon this country?—£40,000 or £50,000 at a time.

3952*a*. And you think they may be negociated to a much larger amount?—I have no doubt they can, as a remittance for the proceeds of opium, which would do away with the necessity of smuggling silver.

3953*a*. Can you state what, according to the latest advices received from Canton, is the rate of exchange between Canton and this country?—The latest date I have seen is newspaper authority, but it is probably correct; it gives it at 3*s*. 11*d*. sterling per dollar for bills at six months' sight. In speaking of the bills thus likely to be negociated or negociating at 3*s*. 11*d*., I think it embraces an amount of about £100,000 within my knowledge.

3954*a*. With such a bill, drawn upon any house of credit in England at that rate of exchange, could teas be purchased at Canton?—With the proceeds of such bills teas could be purchased.

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3955*a*. The rate of exchange being 3*s*. 11*d*., can you state to the Committee what would be the value of the tale?—It would be 5*s*. 5$\frac{20}{72}$*d*.

3956*a*. Is not 3*s*. 11*d*. an unusually low rate of exchange for the dollar?—It is not low for the last year or two; it has been gradually lowering for several years.

3957*a*. What has been for the last five years the average rate of exchange between Canton and London?—I have no means of answering the question here; I should think it might have been 4*s*. 1*d*. or 4*s*. 2*d*.

3958*a*. Do you think it has been more than 4*s*. 2*d*.?—Certainly not more.

3959*a*. Can you state at 4*s*. 2*d*. what would be the value of the tale?—5*s*. 9$\frac{32}{72}$*d*.

3960*a*. By what calculation do you convert tales into dollars, or dollars into tales?—Seventy-two candarins are equal to a dollar; and I take 100 dollars at 4*s*. 2*d*. and divide them by 72 for the value of the tale in sterling.

3961*a*. How many candarins are there in a tale?—There are 100 candarins in a tale.

3962*a*. So that a dollar is to a tale as 72 are to 100?—It is.

3963*a*. Is that a fixed proportion between the tale and the dollar, or is it one that varies?—I do not remember to have seen any thing which would lead me to believe that it varies.

3964*a*. Then the variation in the exchange turns upon the varied price of the dollar, and not upon the tale?—I think there may be a variation in silver, that the dollar may sometimes sell at a premium; but I observe, that taking the weight of the dollar, and taking the number of grains in a tale, that 72 hundredth-parts of a tale are just the weight of a Spanish dollar.

3965*a*. Are you aware that it was stated to a Committee of the House of Lords in the year 1821, that the tale had been rated for 100 years past in the transactions of the East-India Company with China at 6*s*. 8*d*.?—I never heard of 6*s*. 8*d*. as the value of a tale till the question came up here before this Committee.

3966*a*. What would be the value of the tale in exchange for dollars at 4*s*. 3½*d*.?—Six shillings nearly.

3967*a*. Have they been as high as 4*s*. 3½*d*. in the course of exchange in the last five years?—I think not.

3968*a*. In the evidence you gave before this Committee on a former occasion, you stated that, in your opinion, the tea consumed in this country cost the public about £1,500,000 more

than it would be if brought on private account; do you include in the calculation upon which that statement was formed, the increased charge thrown on the prime cost from the rate at which the tale is converted by the Company into English money?—That enters into the calculation; but I should take the teas as they are bought, and take the exchange as it exists, or has been for some years, and the actual prices obtained here. I stated £1,500,000 in round numbers; I believe the difference is more. It may be £100,000 or £200,000 more; but I was not aware that it was important to go so near as that. 30 Mar. 1830. Joshua Esq.

3969*a* You stated in your former evidence, that in estimating the profits of the Company beyond the profits which a private merchant would require to amount to a million and a half, you have referred to the tables laid before Parliament, stating the prime cost at Canton; in making that estimate, did you allow for the value of the tale as estimated on the one hand by the Company, and on the other as ascertained by the course of exchange?—I made reference to the printed accounts of the tea exported, for the purpose of getting at the quantity, and I was not aware that 6*s*. 8*d*. was the mode of valuing the tale at the time. It would certainly make a difference in any rough calculation which I have made; but I went upon another calculation also, that of the usual profit which we are satisfied with on teas: and taking the cost of teas at Canton, with the expences, and the prices obtained at the Company's sales, I ascertained the profit which I conceived ought to be made by the Company on the importation of teas to this country.

3970*a*. If the tale is really worth at the rate of exchange 5*s*. 6*d*., and is estimated in the prime cost as 6*s*. 8*d*., is there not an increase put on that prime cost of nearly 20 per cent., namely, the difference between 5*s*. 6*d*. and 6*s*. 8*d*?—Certainly there is; it would make that difference in the calculation.

3971*a*. Are you aware of the provision in the Act of the 24 Geo. III. c. 38, the Commutation Act, which provides that upon all teas put up for sale by the East-India Company the upset price shall not exceed the prime cost thereof, with the freight and charges of importation, together with lawful interest from the time of the arrival of such tea in Great Britain, and the common premium of insurance as a compensation for the sea-risk incurred thereon?—I was not aware that there was such a provision in the Act.

3972*a*. Suppose a mercantile house had a contract for supplying any foreign article, cotton for instance, and it were a condition of that contract that the *bonâ fide* prime cost of the article abroad, together with the freight and charges of importation, and the other charges referred to in the Act which has been

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quoted, should determine the price to be paid by the contractor, would such a mercantile house be warranted in calculating the prime cost abroad at a higher rate than the existing course of exchange between the foreign country and this country, at the time when the article was paid for in that foreign country? —I see no other mode of estimating the cost of any article abroad than by taking the course of exchange into the calculation.

3973*a*. Have any of the teas bought by the American merchants been paid for by bills drawn upon this country?—Of late they have been paid for in that way, or rather the funds have been created in that way. The bank of the United States issue bills, and mercantile houses in America give credits on London.

3974*a*. Then the prime cost of such teas is ascertained by the bills so drawn?—That is the accurate mode of ascertaining their cost-price.

3975*a*. Supposing such law to exist as that which has been stated in one of the questions recently put, will not the upset price which was referred to in that law be raised by rating the tale at 6*s*. 8*d*., beyond what it would be, supposing the value of the tale to be, such as it is, according to the rate of exchange which you now believe to prevail at Canton?—That would be the effect of it. The upset price would be increased in proportion as the tale had been overrated.

3976*a*. Though you have stated 3*s*. 11*d*. to be the actual value of the dollar at Canton, according to the last rate of exchange, and although that may be the rate of exchange for any transaction of a moderate amount, do you suppose it probable or possible that the East-India Company could, for so large an amount as what they would require for the whole of their investment, realize so favourable an exchange?—I should say there would be no difficulty whatever; that drafts to a very large amount are wanted for remitting the proceeds of the smuggled opium, and that those bills would be very current in Bombay or Bengal for remittances to this country, and are always in demand for such purpose.

3977*a*. Do you suppose that the same exchange could be realized by the Company for so large an amount as they would require for their investments?—It might make a little difference in the exchange; but if I recollect rightly, there are four or five millions of dollars in Sycee silver annually smuggled out from Canton, no doubt at some disadvantage of charges for hazard, &c. I should think for all that sum the parties would prefer to take bills.

3978*a*. Do not the Company now pay for the quantity of tea which they purchase by the sales of opium, and by bills upon

India, and in various ways?—I have no doubt they do. The sales of opium, however, are not on their account at Canton; that is country trade. 30 Mar. 1830. Joshua Bates, Esq.

3979*a*. Supposing the same quantity of tea to be required for the consumption of this country, and all the circumstances of the trade between India and China to remain the same, would the exchange be altered if the trade was thrown open, instead of being a monopoly in the hands of the Company?—I should think the exchange would very soon fall even lower than 3*s*. 11*d*.: that has been the case with Bengal.

3980*a*. What circumstances have caused so low a rate of exchange to prevail as 3*s*. 11*d*. per dollar at Canton?—I presume it must be owing to the large importations of opium, and perhaps to some increase in the importations of British manufactures.

3981*a*. How do you account for dollars being considered by Americans so favourable a provision as a means of purchase of tea, when the exchange is so low?—The Americans have, until lately, carried dollars to a great extent, on the calculation that they can transact their business with less charge of commission on that account; but they have of late taken credits or bills in many instances; and I conceive it will turn in the same manner as it has in Bengal. Formerly dollars were carried there; now they are no longer carried.

3982*a*. What is the price of the dollar at present in London?—The price of the ounce is 4*s*. 8⅞*d*.; 866 ounces make 1,000 dollars, which would bring it near 4*s*. 1¼*d*. per dollar.

3983*a*. Would not this trade, like all others, be paid for in specie, or by drawing bills according as the rate of exchange might vary?—Undoubtedly the course of exchange would fluctuate, as in any other trade, if left to itself.

3984*a*. You stated that you thought, if the trade were thrown open, the exchange would fall still lower; for what reason do you entertain that opinion?—My belief is, that the exports to that country would be very much increased.

3985*a*. Do you mean the export of British commodities?—Of British commodities.

3986*a*. Are you prepared to give in to the Committee the calculation upon which you come to the conclusion that the Company derive a million and a half more profit than would remunerate the private trader?—I have no calculation made, but I can give the Committee the materials for making one. I can give the cost of a given quality of tea at Canton, and taking the freight and charges, and the sale price here, the profit is ascertained; and I should state that in these times ten per cent. is considered a fair mercantile profit, and all gain beyond that would be so much gained by the Company beyond a fair

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profit; that is, private traders would sell their teas at a price so low that would leave only 10 per cent. profit, and probably even at less, and be satisfied.

3987*a*. What allowance ought to be made for wastage of the teas?—Very little.

3988*a*. As much as 5 per cent.?—I should think not; perhaps $2\frac{1}{2}$ per cent.

3989*a*. Will you have the goodness to state to the Committee some of the materials of your calculation?—Take congou tea of the past year; I find the contract price of the highest quality is 29 tales, that would be about $13\frac{1}{2}d.$ per lb. I would add for the freight 3*d.* per pound, there would then be about $2\frac{1}{2}$ per cent. loss of interest, as I am calculating for it to be paid for with the proceeds of bills drawn at six months' sight, and the teas would arrive here before the bills would be presented, and I suppose the charges here are about $2\frac{1}{2}$ per cent. There would be another $2\frac{1}{2}$ per cent. for the insurance, making altogether $7\frac{1}{2}$ per cent., which upon $13\frac{1}{2}d.$ would be 101-hundredths of a penny, and then you have $17\frac{51}{100}d.$ as the cost and expenses of bringing the tea here; I add $10\frac{1}{2}$ for profit.

3990*a*. Have you made any allowance for wastage?—That is embraced in the calculation of the cost per pound, in converting the peculs into pounds, and the tales into pence; I include that in the $13\frac{1}{2}d.$ The total comes to $18\frac{86}{100}d.$ I find that the highest sale-price of congou was 3*s.* $1\frac{1}{2}d.$ Perhaps it would be safer to take the second price of congou, that is 2*s.* 7*d.*; that is the price obtained at the last sale of the East-India Company.

3991*a*. In making this calculation do you calculate upon having a profit upon the outward cargo?—None whatever. I have taken the freight at which ships can be chartered for the voyage out and home.

3992*a*. Do you consider 10 per cent. a sufficient profit upon an adventure of that kind?—Ten per cent. I should consider a brilliant profit.

3993*a*. You mean 10 per cent. beyond interest of money?—I have estimated interest of money in the charges

THOMAS GORE LLOYD, Esq., Accountant-General of the East-India Company, again called in, and examined.

T. G. Lloyd, Esq.

3994*a*. In what manner do you settle the upset price of teas at the India-House?—The sterling amount of the several supplies to the Canton treasury are contrasted with the number of tales that those sterling amounts have produced, from which result we ascertain what has been the cost of one tale. For instance, we receive considerable supplies from India in cotton and in bills of exchange: these are brought into sterling money

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at the intrinsic value of silver at the Mint-price, and against this is stated the several products in tales in China; the consignments from England are also stated at their invoice cost, and on the other side is stated the number of tales the consignments have produced. In the year 1828–9 it was ascertained that we had supplied the Canton treasury to the amount of £2,213,022 sterling, which had produced in China 6,931,592 tales; thus ascertaing the cost of a tale to be 6*s.* 4*d.* $\frac{921}{700}$ths. After the rate of the tale is ascertained in the manner I have before mentioned, we add freight and demurrage. This freight and demurrage are what we call the commercial freight and demurrage, all that the ship has earned in her political capacity being deducted. We also add the expences of landing, housing, warehousing carting, preparing, for sale, and all charges of merchandize. We add an insurance of three per cent. on the cost, with the premium covered; we add interest on the cost and insurance, two years; on freight and charges, one year, at five per cent. per annum; we add also the supercargoes' commission, two per cent. on net sale amount, deducting charges.

3995*a*. Have you prepared any statement for the information of the Committee?—I have prepared an account, showing the rate per tale at which funds for the China investment were provided in season 1828–9; and I have also prepared an estimate of the cost, freight, and charges of each species of tea per pound imported in the year 1829, calculated in the manner I have stated.

[*The witness delivered in the same, which was read, as follows:*]

No. 1.—AN ACCOUNT showing the Rate per Tale at which FUNDS for the CHINA INVESTMENT were provided in Season 1828-9.

	£.	£.		Tales.	
Balance of cash and available assets in China, end of season 1827-8, calculated at the rate per tale of that season, *viz.* 6*s.* 7·442*d.* per tale		81,040	Tales......		244,827
Supplies from India and England, 1828-9:			*Amount realized in China,* 1828-9:		
BENGAL:					
Invoice amount of cotton (calculated according to the intrinsic value of the Sicca rupee at the mint price of silver, *viz.* 5*s.* 2*d.* per oz.)	234,043		Produced in China....	850,518	
Freight of cotton by country ships, payable at Bengal, calculated at the same rate	20,280				
Commanders' cotton bonds, do. do.	98,350		Received..do..	326,718	
Bills drawn on Bengal, do. do. ..	562,592		Do. .... do..	1,964,421	
MADRAS:					
Invoice amount of cotton, calculated at the intrinsic value of the Madras rupee, as before..	103,152		Produced . do..	267,980	
Ditto sandal-wood, do. do.	14,198		Do. .... do..	65,728	
BOMBAY:					
Invoice amount of cotton, calculated at the intrinsic value of the Bombay rupee, as before..	94,291		Do. .... do..	379,005	
Freight of cotton by country ships, payable at Bombay, calculated at the same rate	1,894				
Commanders' cotton bonds, do. do.	53,480		Received..do..	184,159	
ENGLAND.					
Invoice amount of consignments	717,504		Produced..do..	2,161,133	
Bills and certificates drawn on the Court	135,813		Received..do..	484,514	
Supercargoes' commission on the above outward trade, payable in England	24,772				
Freight of consignments from India to China, as above, by European ships, payable in England	71,613		Total amount realized in China for supplies of the Year................		6,687,176
					6,932,003
Total amount of supplies from India and England, including charges payable in India and England on account of the same		2,131,982	Deduct: Amount paid for interest in the year.		411
		£ 2,213,022	Tales....		6,931,592

Or at 6*s.* 4·624*d.* per tale, or 4*s.* 7·169*d.* per dollar.

THOS. G. LLOYD, Accountant-General.

East-India House, 12 *November* 1829.

No. 2.—ESTIMATE of the Cost, Freight, and Charges of each Species of Tea per Pound, imported in the Year 1829.

——	BOHEA.	CONGOU. Winter Purchases, and below Contract.	CONGOU. Contract.	CAMPOI.	SOUCHONG.	TWANKAY.	HYSON SKIN.	HYSON.
	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.
Prime cost, calculating the tale 6s. 4d. ·624, the actual cost of a tale in China, season 1828-9 (*calculating the supplies from India to China according to the intrinsic value of the coins at the Mint-price of silver*) as per No. 1.	0 9·666	0 11·679	1 4·150	1 7·738	1 11·022	1 4·000	1 4·466	2 2·720
Freight and demurrage	0 4·200	0 4·200	0 4·200	0 4·200	0 4·200	0 5·250	0 5·250	0 5·250
Expenses of landing, housing, warehouse-room, carting, preparing for sale, and all charges of merchandize	0 1·600	0 1·600	0 1·600	0 1·600	0 1·600	0 1·600	0 1·600	0 1·600
Insurance 3 per cent. on cost, premium covered	0 0·299	0 0·361	0 0·499	0 0·610	0 0·712	0 0·495	0 0·509	0 0·826
Interest on cost and insurance two years, on freight and charges one year, at 5 per cent. per annum	0 1·287	0 1·494	0 1·955	0 2·325	0 2·663	0 1·992	0 2·040	0 3·097
Supercargoes' commission, 2 per cent. on net sale amount, deducting charges	0 0·261	0 0·394	0 0·137	0 0·479	0 0·598	0 0·422	0 0·437	0 0·826
	1 5·313	1 7·723	2 0·841	2 4·952	2 8·795	2 1·759	2 2·302	3 2·319

The cost of the supplies furnished China through India is here calculated at the intrinsic value of the Indian coins, at the Mint-price of standard silver, instead of the rate affixed to those coins by the Board of Commissioners for the Affairs of India, in the transactions between the territory and commerce; by this operation the teas are put up at a price below their actual cost and charges. The cost of the tale at these latter, or the Board's rates, would be 6s. 10d. ·417, instead of 6s. 4d. ·624, as above.

East-India House,
12th November 1829.

THOS. G. LLOYD,
Accountant-General.

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T. G. Lloyd, Esq.

3996*a*. When was the value of the rupee settled by the Board of Controul?—In the year 1814; the document, I believe, is before Parliament. There was a scheme prepared for the separation of the accounts, in conformity with the Act of 1813, which was laid before Parliament and printed.

3997*a*. When you talk of the standard value, under what authority does the Company determine the rate of exchange to be regulated by the standard value of the silver of this country? —That was the proposition that the Court of Directors have supported in a negociation with the Board of Commissioners respecting the rate of the rupee. It only has reference to the transactions between India and China, but no reference to consignments from England to China.

3998*a*. Then if it has only reference to the transactions between India and China, why does it govern the transactions between China and England?—Because the Company, in its commercial capacity, is charged with whatever supplies India remits for the provision of the China investment. The Court of Directors urged it to be an equitable rate to be established between the two branches for all those transactions. The commerce was in the continual habit of making advances on account of the territory; and the Court contended that the rupee should be charged to them at its intrinsic value, according to the Mint-price of silver, or 5*s*. 2*d*. per oz.

3999*a*. Supposing this, which the Company determined to be an equitable rate in its trade between India and China, should turn out to be a rate far above the prime cost, as declared by the course of exchange between China and England, would it not be a contravention of the Act of Parliament, which requires that the upset price of the teas should be valued at the prime cost?—I apprehend not, for this reason, that the rupee actually costs the commerce more.

4000. What is there in the Act of Parliament which has reference to the rupee, in determining the prime cost of tea in China? Inasmuch as the Company draw a part of the supplies for the provision of their China investment by using their credit on India.

4001. Suppose that the remittances from India to China should involve a loss of 100 per cent. above the prime cost at which teas might be procured in China by any other persons than the Company, do you think that that loss ought to be fairly charged to the prime cost of the teas in China in settling the upset price in England?—I apprehend, that whatever be the loss, it is what the teas have cost the Company.

4002. In the money of Bengal? And the return they get for it.

4003. Supposing the value of the rupee to be 1*s*. 10*d*. at Cal-

cutta, at what price do you estimate it in the adjustment of the account between India and China, and between China and England respectively?—The adjustment that we make, as between the territory and commerce, is at the rate fixed by the Board of Commissioners for the rupee, that is 2*s.* $3\frac{84}{100}$*d.*; therefore I conceive that in charging 2*s.*, as has been done in the upset price of teas, that upset price has been less than the tea has actually cost the Company; inasmuch as they have charged 2*s.* for that for which they have paid 2*s.* $3\frac{84}{100}$*d.*

4004. In the paper you have delivered in it is stated, that in part-provision for the purchases of teas in China there had been drawn, by bills from China on the Court of Directors, for the season 1828-9, the sum of £135,813, for which there have been received in China 484,514 tales; that being the only part of this account in which there is a direct transaction between China and London for the cost of that money delivered into the Company's treasury in China, be so good as to state to the Committee what has been the price of the tale upon that transaction?—About 5*s.* 7*d.*

4005. Is that not the result of the direct exchange between China and London, as exemplified by the actual transactions of the Company?—Certainly.

4006. If the direct exchange makes the tale to cost only 5*s.* 7*d.*, must not the whole difference between that and the exchange of 6*s.* 4*d.* and 624 decimals, be a loss to the Company, arising from the circuitous manner in which their funds are placed in Canton, or from the way in which the money is calculated?—It is quite clear that if the money be obtained by bills upon England, the tale would of course give considerably less than it does by the consignment of merchandize from India and England. We did not place the tale by consignment of goods from this country in that year at the same rate that we might have obtained it by bills upon the Court, and therefore the difference between the 6*s.* 4*d.* and 5*s.* 7*d.* is to be attributed to the mode in which the Company carried on their business.

4007. Then, in fact, they lost by their consignments of merchandize?—Yes, as compared with the rate of exchange for bills on England.

4008. And so they did by the goods sent from India?—Yes.

4009. Supposing the goods sent from India had been calculated at 1*s.* 10*d.* for a rupee, what would have been the value of the tale then?—It would take some time to make the calculation. It is about 2*d.* in the rupee upon all the rupees that have been furnished through India; it would not have made a very considerable difference in the tale on the final result.

4010. You have stated that the real cost of the tale to the Company is 6*s.* 10*d.* and 417 decimals, so that the loss by this

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mode of supply must be the difference between 5s. 7d. and 6s. 10d. and 417 decimals?—It is so, presuming we could have obtained all our supplies by means of bills, which I conceive to be extremely doubtful. I think it very questionable whether we could have obtained bills for two millions sterling upon the Court in one season.

4011. Can you state how much of the money paid into the Company's treasury in Canton has arisen from the sale of goods there, and how much from exchange operations?—The exchange operations are, "Bills upon Bengal, 562,592," and "Bills upon England, 135,813;" making together, 698,405.

4012. Can you state to the Committee what loss you suppose to have arisen from the bills drawn on Bengal?—For the bills drawn on Bengal we pay the territory at the rate of 2s. $3\frac{84}{100}$d.

4013. What is its intrinsic value according to the exchange?—The exchange, I apprehend, at that time was about 1s. 11d.

4014. Should not you consider that the Act of Parliament directing the mode in which the upset price of the teas should be fixed, meant that it should be done according to the actual cost of the teas to the Company, and not according to any arbitrary valuation of the rupee, or of any other coin?—I apprehend, certainly, that the Act of Parliament intended the teas should be put up at what they cost the Company; and by the operation we pursue, I conceive we fully comply with the Act of Parliament, because it actually has cost the Company, to place the tale there, so much money as I have stated in the account I have delivered in.

4015. Could not the Company have placed the tale there, by your own statement, at a much more reasonable rate?—By drawing bills, certainly.

4016. Then must not your revenues in Bengal have been benefited to the extent of the larger price that has been put upon the tale, in so far as concerns that portion of the money which has been drawn upon Bengal?—The revenues of Bengal have been benefited by the difference between the exchange of Bengal upon England and the rate of 2s. $3\frac{84}{100}$d., which is nearly 5d. in the rupee.

4017. And to that extent the upset price of the teas of the Company has been increased in the amount?—The upset price has certainly been increased in consequence of the mode we adopt; but not to the full extent of the difference, because the upset price has resulted from calculating the rupee at the intrinsic value.

4018. Could you, looking at this paper, state to the Com-

mittee what is the per-centage of difference between the cost, as you have stated it to have been calculated, and the cost as it would be if it had been taken at the rate of the direct exchange?—It would make about fourteen per cent.

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T. G. Lloyd, Esq.

Jovis, 1° *die Aprilis*, 1830.

The Petition of Merchants, &c. of His Majesty's Colony of the Cape of Good Hope, presented to the House on the 9th day of March last, and then referred to this Committee, was again read.

ABRAHAM BORRADAILE, Esq. called in, and examined.

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A. Borradaile, Esq.

4019. You are resident in London?—I am.

4020. What is your situation as connected with the Cape of Good Hope?—I have been a merchant trading to the Cape for the last twelve or thirteen years; I am chairman of the Committee of the Cape Society, and the petition before the Committee was sent to me through the medium of the Commercial Exchange Committee at the Cape, begging that I would get it presented to Parliament.

4021. Are you prepared to support the allegations of the petition?—I am perfectly.

4022. Can you state in what way the Colony of the Cape suffer injury from the East-India Company's mode of exercising their exclusive right of supplying the Cape with tea?—In the first place, the East-India Company charge a higher price for tea than would be charged by a private merchant, if he were allowed to import it direct from China to the Cape. The next grievance is, that only two of the East-India Company's ships are allowed to touch there, which prevents the resort of shipping to the Cape, which is a thing highly advantageous to the colony. In the third place, it prevents any thing like a transit trade, which the situation of the Cape might occasionally offer advantages for.

4023. On what ground do you say that the Company charge a higher price for the tea than the same tea could be obtained for by the private trade?—I have here a calculation of what we apprehend the cost of tea to the Company would be at the Cape, and what they sell it for.

4024. What documents did you make the calculations from?—From the notoriety of the price of tea at Canton. We have taken the price of black tea at 20 tales a pecul.

4025. At what rate of exchange?—At 6*s.* 4*d.* the tale British sterling, we make the tea to cost 1*s.* a pound in China.

4026. Do you take the same rate of exchange in estimating

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the Company's price as you do in estimating the price which a private trader would pay?—Yes; of course it is matter of surmise to us what the Company do pay.

4027. What is the tea usually consumed at the Cape?—I believe a kind of low souchong, or else congo tea.

4028. What does that cost at the Company's sales there?—They sell it for about 3*s*. 9*d*. a pound.

4029. What, according to your calculation, is the price at which it might be purchased?—We reckon that it only costs the Company at the Cape 2*s*. 5*d*. a pound; and that includes six per cent profit, which we are told the Company agreed to supply the Cape for.

4030. To what sort of agreement do you refer?—I cannot exactly state that, but perhaps the Commissioners of Inquiry might be able to do so. They state in their Report, "that the price at which tea is sold has not been subject to much variation; and according to the terms of the agreement made between His Majesty's Government and the Directors of the East-India Company in the year 1806, ought not to have exceeded an advance of six per cent. on the cost, freight and charges."* I do not know, of my own knowledge, whether such an agreement exists, but I do know that the East-India Company wrote to the Board of Trade, that they gave instructions to have it supplied at those rates. A letter showing this circumstance I have in my hand; the date of the letter is the 27th August 1825, "Office of Committee of Privy Council for Trade." It is addressed to myself, signed by Thomas Lack.

[*The same was delivered in and read, and was as follows:*]

"Office of Committee of Privy Council for Trade,
"27th August 1825.

"Sir:—The Lords of the Committee of Privy Council for Trade having had under their consideration your letters of the 13th May and 12th July last, on the subject of the tea-trade at the Cape of Good Hope, I am directed to acquaint you, that the exclusive privilege of trading in that article being legally invested in the East-India Company, His Majesty's government cannot violate that privilege. A representation has however been made to the Court of Directors, with respect to the mode of supplying the Cape with tea under the provisions of their charter; and it appears by a communication received from the Chairman, that the East-India Company, in their original instructions to their agent at the Cape, directed him to frame his indents for the supply of that settlement with a view of the actual consumption of the colony; and that he was further directed to put up the articles to sale in small lots, and at an advance not exceeding 6 per cent. on the cost, freight, and charges. That these indents were framed in accordance with the recommendation of the Burgher Senate, who were consulted on this subject; and as a proof that there has been no deficiency in the supply, it is stated that the quantity

* *Mem.*—This was read by the Witness from the Commissioners' Official Report.

of tea remaining on hand at the end of each year, for seven years past, had always been equal to the consumption of some years.

"I am, Sir your most obedient humble servant,

"Abraham Borradaile, Esq. (Signed) "THOMAS LACK."
25, Rood-lane."

4031. Have you made a calculation of the amount which you suppose the tea actually cost the Company at the Cape of Good Hope?—I have made such a calculation, which I will deliver in.

[*The witness delivered in the same, with a printed notice attached, which were read, as follows:*]

NOTICE.

East-India Company's Stores will be open every Thursday, from 10 o'clock A. M. to 2 o'clock P. M., for the disposal of China and India goods. —Terms, cash.

Five per cent. will be taken off the several articles in consequence of no vendue charges.

East-India Company's Office, Jan. 22, 1828.

W. HAWKINS,
Agent for the Affairs of H. E. I. Company.

ESTIMATED Cost of a Pound of Black Tea imported from Canton in a Company's Ship into the Cape of Good Hope, 1830.

	s.	d.	s.	d.
Taking the average cost of black tea at Canton at 20 tales per pecul of 133¼ lbs., and valuing the tale at 6*s.* 4*d.* British sterling, will cost, making allowance for breakage, &c. about per lb. English ..			1	0
Shipping charges at Canton 5 per cent. Insurance .... 5 ditto Dues .... 10 ditto } 20 per cent. is	0	2½		
Freight at £22 per 1,120 lb. Company's ship, is............	0	4¾		
Customs duty at the Cape of Good Hope 10 per cent.; and valuing the tea at 3*s.* per lb., the value now paid on by the H. E. I. Company..................................	0	3½		
Landing, storage, postages, and other incidental expenses, may be well covered, it taken at per lb.................	0	2½		
			1	1¼
(20 per cent. on first cost.)				
Cost at the Cape of Good Hope, per lb.			2	1¼
Sale Charges:				
Five per cent. allowed by the H. E. I. Company for paying *cash*, and in their advertisements taken on the sale prices of 3*s.* 9*d*, per lb. is	0	2¼		
Six per cent. on *first cost and charges*, agreed the H. E. I. Company should have for their exclusive privilege........	0	1½		
			0	3¾
			2	5

Making 2*s.* 5*d* per lb. the Company ought to sell their tea at, whilst they rarely sell their lowest descriptions at less than 3*s.* 9*d.* per lb.

4032. Have you also prepared a calculation of the price at which the same tea could be imported by a private merchant?—I have.

[*The witness delivered in the same, which was read, as follows:*]

1 April 1830.

A. Borradaile, Esq.

ESTIMATED COST of a Pound of good Black Tea imported from Canton in a Private Ship to the Cape of Good Hope.

	s.	d.	s.	d.
Taking the average cost of good black tea at Canton at 20 tales per pecul of 133⅓ lbs., and valuing the tale at 6*s*. 4*d*. British sterling, will cost, making allowances for breakage, &c. &c. about			1	0
Charges at Canton:				
Shipping and dues, about 15 per cent			0	1¾
			1	1¾
Charges at the Cape of Good Hope:				
Freight and primage, £8. 8*s* per 1,120 lbs. is	0	1⅞		
Insurance and policy, 5 per cent. on 15*d*.	0	0¾		
Landing charges, storage, postage, and other incidental expenses and warehouse rent	0	2½		
Customs duty, valuing the tea at 3*s*. per lb., 10 per cent.	0	3½		
			0	8⅜
Cost of a pound of black tea at the Cape			1	10⅛

If we add to this sum of 1*s*. 10⅛*d*. cost of a pound of tea, with all charges, a profit of 25 per cent., it is presumed, if private traders will be found eager to enter into the trade, then its cost will be 2*s*. 3⅝*d*. per. lb.

4033. You have in the first statement made an allowance of 10 per cent. of duties to be paid to the emperor of China on exportation; are you not aware that the emperor's duty on tea is charged in the cost of the tea?—I was not quite certain of that, and therefore I charged it both in the one and the other. I added it rather than have left it out, because it makes the calculation so much more in favour of the Company.

4034. Have you estimated the exchange of the tale at the same value in both accounts?—Yes.

4035. Are the Committee to understand, that if no export duty is charged above the price usually quoted in Canton, both those statements will be higher by the 10 per cent. which you have allowed?—Yes.

4036. You have estimated the emperor's duties and the shipping charges at Canton at 15 per cent.; do you know whether the Chinese merchants who sell the tea ship the tea without any charge or not?—No, I do not.

4037. You have estimated the tale at 6*s*. 4*d*.; supposing, according to the present rate of exchange, the tale were 5*s*. 6*d*., what difference would that make in your estimate of the cost of the tea?—That would be a matter of calculation.

4038. Do you know what the actual rate of exchange by merchants, between China and the Cape, is?—There is no such thing as exchange between China and the Cape.

4039. What reason have you for believing that the freight costs the Company £22 per ton from China to the Cape of

1 April 1830.

A. Borradaile, Esq.

Good Hope?—From the rate at which the ships are chartered, I apprehend it cannot cost them a great deal less than that.

4040. In your estimate you make the freight of the tea from China to the Cape of Good Hope cost as much as the amount starting from London to India, and then to Canton, and then back to London?—Yes; because the Company's ships never take in any thing at the Cape to fill up their vacant space, and therefore we allow them the same rate in that way as if they brought the tea all the way to London.

4041. If the trade were thrown open, what return-cargo would go from the Cape to Canton?—There would be no return-cargo; it must be silver that must go. There would be no return-cargo unless the vessel filled up in the Straits in going there, and which she very likely might do.

4042. Upon what data have you taken the freight at £8. 8*s.* per ton by the private trade?—Upon the being able to charter a ship for that sum of money.

4043. Can you take up shipping at that rate now?—No doubt we could.

4044. Can you usually do it at about that rate?—Yes.

4045. Have you been engaged in shipping yourself?—No.

4046. Have you hired ships?—I have hired ships occasionally.

4047. And you state that estimate of £8. 8*s.* from what you know the present prices are?—Yes.

4048. Do you charge the whole of the freight in your calculation of the private trade?—No; something might be got in freight from the Straits to China, which would enable the ship-owner to bring the tea from China at that price: perhaps £2 or £3 a ton might be got in that way.

4049. Have you made the calculation upon the full amount of freight?—Yes.

4050. Then the comparison between the Company's freight and the freight upon the private trade is founded upon the same data?—It is.

4051. What is the rate of exchange at the Cape of Good Hope upon England?—The rix dollar is 1*s.* 6*d.* sterling; they are at a premium of $1\frac{1}{2}$ per cent. upon Treasury bills.

4052. Have you any means of buying Spanish dollars at the Cape of Good Hope?—Not at present, to any extent.

4053. How then could you send them to Canton?—We could have dollars sent out from England to the Cape at no very great charge. Except a few seal-skins, that would be the only thing that could go from the Cape to Canton as a return-cargo; it must be a money trade; we must place funds at Canton for the purchase of the teas.

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4054. And the means you would adopt of obtaining funds would be by obtaining them from England?—Yes.

4055. And that forms the basis of your calculation?—Yes.

4056. If the trade were thrown open between Canton and the Cape, might not ships supply the Cape with all the articles they require, and fill up with wine or corn, or other Cape produce, and bring their full tonnage on to England?—No doubt they might.

4057. Would not that reduce the amount of tonnage which you have given in the estimate considerably?—I do not know that it would.

4058. What is the home freight between the Cape and England at the present time?—About £3 a ton.

4059. Would not you then save £3 out of the £8 which you have stated as the freight for the whole voyage?—If you are to take a ship starting from London, and touching at the Cape, and going to Canton; but we should consider the voyage as ended when she got to the Cape.

4060. Might not a ship be contracted for from England to Canton, with liberty to touch at the Cape either going out or coming home, and would not that diminish the charge of freight on the tea very considerably?—Perhaps it might; it would be according to the rate of freight they got at the Cape.

4061. Are you aware of any tea having been bought in London and sent out to the Cape?—Yes, I bought some myself, and the Company's officers and the comptroller of the Customs laid their heads together and seized it, though they had the opinion of the Board of Trade and of the Commissioners of Excise and Customs, and the Governor of the Cape, that the tea was perfectly legal, and the tea was restored; and the most the Company's agent could do was to protest against it as an illegal importation.

4062. Has that been repeated?—Not by us, because it only realized about 2½ per cent., which was not sufficient to induce us to repeat it. It was tea which had been bought at the Company's sale in London.

4063. How much less could you have sold that tea at the Cape than the tea actually sold by the Company?—I cannot tell that. It might fetch about the Company's prices, and doing that it only left us a trifling profit, because we bought at 2*s.* 3*d.* a pound in London what we could have bought at 1*s.* in China: but we did it to see whether the Company would be so strict in their monopoly as even to prevent that mode of supply.

4064. Do you consider the present monopoly of the Company as injurious to the general trade of the Cape?—Exceedingly injurious.

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A. Borradaile, Esq.

4065. Do you find any great difficulty in remitting from the Cape the produce of English manufactures? No, we find no difficulty; bills are at a premium of 1½ per cent; for £101. 10*s.* you can get a bill on England for £100 sterling.

4066. In what way do you consider the monopoly to be most injurious to the trade of the Cape?—Because the excess of price which the people are charged for the tea might be spent by them in other matters, by which the trade of the colony would be promoted. If they could get the same quantity of tea for £10,000 for which they now pay £20,000, they might spend the other ten in promoting the trade, shipping, and every thing else belonging to the colony.

4067. Are the Committee to understand that the sale-price of the tea at the Cape is in general higher than in England?—No doubt it must be so; it is about 3*s.* 9*d.* a pound.

4068. You have stated that only two ships from China stop at the Cape; this petition complains that the vessels trading to India are prevented from stopping at the Cape out and home, is that the fact?—That is the fact: there are two ships licensed by the Company to leave their teas there, and then go on.

4069. If the trade were open, you consider the Cape would derive benefit from private ships calling at the Cape?—Yes, I do. As an instance of that I may mention, that during the spring of last year there were many ships chartered for Bombay and the Mauritius more than could find loading, and nearly all of those touched at the Cape as their dernier resort, by which means the merchants at the Cape got their wine brought home at 15*s.* a pipe instead of 30*s.* or 35*s.*; besides which, they had to supply those ships with a large quantity of colonial produce, which was a beneficial trade to the colony.

4070. It is stated in the petition, that a great increase has taken place since the trade with India was opened in 1815; are the Committee to understand that the Cape has benefited by opening the trade to India?—Exceedingly.

4071. And, in like manner, you expect that if the trade to China was open, a further improvement in the state of the colony would take place?—Decidedly.

4072. Is the balance of trade, generally speaking, in favour of the Cape of Good Hope, or in favour of Great Britain?—It is in favour of Great Britain.

4073. Is the freight from Great Britain to the Cape higher than the freight back?—The freight from Great Britain to the Cape is about 40*s.* a ton, and back it is about £3.

1 April 1830. Mr. ALEXANDER M'DONALD and Mr. DANIEL DIXON called in and examined.

Mr. A. M'Donald.

4074. (*To Mr. M'Donald.*) You have been resident at the Cape?—I have for about thirty-two years; I left in 1827.

Mr. D. Dixon.

4075. (*To Mr. Dixon.*) How long have you resided there?—For thirteen years; from 1813 to 1826.

4076. Will you have the goodness to look at the calculations which have been delivered in by Mr. Borradaile; were you concerned in making them?—I was.

4077. Do you believe them to be correct?—I do, according to information I obtained at the Cape.

4078. According to that calculation, the price of ordinary black tea, such as is consumed at the Cape, is 3*s*. 9*d*. a pound? —The price the Company sells at is from 3*s*. 4*d*. to 3*s*. 9*d*.; 3*s*. 9*d*. is about the average; they have a higher class again than that, which they sell at 4*s*.

4079. Will you explain the mode in which the Company's teas are sold at the Cape?—The Company have a resident agent at the Cape, who sells the teas. Formerly there was a public sale on the Thursday in every week, at which the government auctioneer attended; there were no catalogues printed, but the teas were put up by the vendue-master by the single chest, at a certain price, and any person who wished to purchase took as many as he wished at that price. The duty of the auctioneer was merely to offer each separate description of tea at the price that was fixed, and to knock down the quantity called for by each individual, and there the sale closed.

4080. What is the present mode in which the teas are sold by the Company at the Cape?—The government have now abolished the office of vendue-master, and the Company do not now sell by an auctioneer; and instead of selling as they used to do at two months' credit, they now sell for cash, deducting five per cent. for ready money. Thursday is still kept up as the day of sale, the price of each description of tea is fixed, and any person may go upon that day and take as many chests as he pleases at those prices.

4081. Is the tea sold at a cheaper rate now than it was formerly?—No; it is sold at the same price; there is no variation in the prices; the Company fix their own prices for the teas, and they get their own prices, whatever they may be.

4082. Can you state the description of teas that are generally imported by the Company into the Cape of Good Hope, and the prices at which they are sold?—They consist of four black teas, congou, souchong, souchi, and pekoe; and of two green teas,

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Mr. D. Dixon.

hyson and gunpowder. The congo is generally sold at about 70 rix-dollars for 25 catty boxes, that is about 3*s.* 6*d.* a pound; souchong at about 80 rix-dollars for 25 catty boxes, which is about 4*s.* a pound; souchi at about 120 rix-dollars for 40 catty boxes, which is about 3*s.* 7*d.* a pound; and pekoe at about 40 rix-dollars for 10 catty boxes, or 4*s.* 9*d.* a pound. Hyson is sold for about 100 rix-dollars for 25 catty boxes, or about 5*s.* a pound; and gunpowder for about 50 rix-dollars for 10 catty boxes, or 6*s.* a pound.

4083. What is the general quality of the tea imported by the Company into the Cape?—It is generally inferior, and it is much complained of.

4084. Can you furnish the Committee with a statement of the quantity of tea that has been imported into the Cape by the Company for a number of years?—I have a statement of the quantity and declared value for the last thirteen years.

[*The Witness delivered in the same, which was read, as follows:*]

(D.)—STATEMENT showing the Quantity and declared Value of Tea on which the Duties of Customs have been paid at the Cape of Good Hope, from the Year 1816 to 1828, both inclusive: Population for the same period.

YEARS.	Population.	Weight in lbs. to 112 lbs. English.	Declared Value for Duties in Rix-Dollars.	In British Sterling.		
		lbs.	*Rdrs.*	£.	*s.*	*d.*
1816............	88,486	*125,585	247,171	26,776	17	0
1817............	97,535	*116,222	232,445	21,307	10	0
1818............	98,899	*118,506	237,013	21,726	4	0
1819............	101,657	*106,608	212,306	20,347	0	0
1820............	105,336	*158,789	307,577	28,194	11	0
1821............	110,147	93,795	187,667	14,075	0	0
1822............	111,451	*73,965	147,930	10,478	0	0
1823............	116,205	*77,650	154,301	11,572	11	0
1824............	118,300	*112,750	225,500	11,972	11	0
1825............	121,497	113,215	223,360	16,752	0	0
1826............	124,320	106,512	213,066	15,980	0	0
1827............	128,403	91,311	182,680	13,701	0	0
1828............	132,610	77,916	141,936	10,646	0	0

* In these years the weights were not returned by the custom-house, only the value in rix-dollars: but 2 *rdrs* per lb. is understood to be the value at which duties are levied. The pounds here stated, it is presumed, will be found nearly correct.

4085. In the paper which has been delivered in by Mr. Borradaile, you take for granted that you can buy the quality of tea supplied at the Cape at 20 tales the pecul, do you suppose

1 April 1830. — Mr. D. Dixon.

that the Company buy the tea which is supplied at the Cape at that rate? – We have taken 20 tales, from mere information, as the price at which good black tea of that quality might be purchased.

4086. In what way do you consider the Company's monopoly in the China market has injured the Cape of Good Hope?—We consider it has injured the Cape of Good Hope, insomuch as they have fixed the price higher than the inhabitants have been able to pay for it, and in consequence the consumption has considerably fallen off.

4087. Is it your opinion, that if the tea could be sold cheaper, from the state of society there a much larger consumption would take place?—No doubt of it; four times the present amount.

4088. Do you mean to say that four times the present amount could be consumed there if private traders were allowed to enter into the trade?—(*Mr. M'Donald.*)—I think the consumption would be considerably increased, but I cannot say to what precise amount.

Mr. A. M'Donald.

4089. During the time you have been there have the Company's prices for tea of the same quality been fixed, or have they varied every year?—I never took any notice of the variation of the prices, but I know that the Company always fix their own prices, and they sell them at those prices: formerly they used to fix the price in proportion to the exchange, and when the exchange was high, naturally of course the Company altered their prices.

Mr. D. Dixon.

(*Mr. Dixon.*)—As they fixed their prices in rix-dollars, and as the dollar fluctuated, it made a difference some years in the sterling prices of the teas; but they made it up in the following year, for there was a variation in the rate of exchange until the year 1826, when the dollar was fixed.

Mr. A. M'Donald.

4090. Would the supply of any other articles, the produce of Canton, be increased if the trade were opened?—(*Mr. M'Donald.*)—There is no question about it. Silks of all descriptions, and nankeens, and crockery-ware, and all the different things.

4091. Then you mean to say, that by the present restrictions upon trade the supply of all these articles for the Cape has been very much narrowed?—There is no doubt of it.

4092. And that, you think, has been attended with commercial injury to the society at the Cape?—I consider it has been a very great injury to the settlement.

4093. In what way do you consider the colony will be benefited by the opening of the trade to China?—It will be benefited by it in this respect: there would be an increase of shipping calling at the Cape, and there would be an interchange of commodities.

4094. What commodities have you to interchange?—We have got wines, and different things, that might be sent to the eastward, and I have myself often sent them to the eastward. Wines

might be sent to Sincapore, and different articles of colonial produce. 1 April 1830.

Mr. A. M'Donald.

4095. Will you enumerate a few of the articles?—Butter and ivory; hides and skins of all descriptions; horns, aloes, and ostrich feathers; corn also might be sent, but I do not think corn would answer, because it is grown cheaper in India. Salt fish might be sent. It would create a spirit of enterprize in the colonists.

Mr. D. Dixon.

(*Mr. Dixon.*)—There are two articles which would be in immediate demand in China—the elephants' teeth and seal-skins.

4096. Would any train oil be sent?—I should think not.

4097. You have stated, that when the exchange on England varied, the prices of tea also varied. Since the currency at the Cape was fixed, has the price of the different kinds of tea sold by the Company been also fixed?—Their prices have remained nearly stationary.

4098. Is there any other way in which ships coming from the eastward, from China, would promote the interest of the colony? — By discharging their cargoes from the eastward, and taking in other cargoes in return.

4099. What other cargoes?—Cargoes of wines, and other commodities, for Europe.

Mr. A. M'Donald.

4100. Were you at the Cape before the trade to India was opened in 1814?—(*Mr. M'Donald.*)—Yes, I was there since 1798.

4101. What increase of facility did you find by the opening of the private trade to India?—Very great facility indeed. Formerly we could not bring any thing from the eastward; they were under most severe restrictions, even in the time of war. When the King's ships had taken prizes to the eastward that had on board East-India produce, that East-India produce was under the necessity of being sold for exportation; it was not allowed to be used in the colony; then the sales took place, and the property was put under custom-house locks and keys, and a bond was given for the due exportation of those goods; and since the trade was thrown open, the Company's trade with India has declined very considerably, in consequence of the enterprise of private individuals entering into that trade, and importing the same qualities and the same description of goods from India that the Company used to do, and they have undersold the Company; and the consequence is, that the Company have not sold many goods for a length of time. When I left the Cape there was a large quantity of goods belonging to the Company that have remained there from the time that Mr. Pringle died; and they are now selling in their public sales for what they can get for them, and they will not probably get one-half the prime cost for them.

1 April 1830. 4102. What articles are they?—Piece-goods, Bengal goods.

Mr. A. M'Donald. 4103. Can the Americans deliver any articles at the Cape?—No; formerly, when there was a restriction upon the trade, the Americans used to come and buy all our prize-goods from us, which were bonded for exportation.

4104. Are you at the present moment prohibited from receiving silks, or any produce of China, except by those two Company's ships that touch there?—I believe so, direct from China; that was so when I came away.

Mr. D. Dixon. 4105.—(*Mr. Dixon.*)—Are you able to state what is the opinion of the merchants generally as to the advantages that would result from the opening the trade to China?—I can state that they are uniformly impressed with the idea that it would considerably benefit the colony, as is evident by the resolutions passed at a general meeting of the inhabitants held at Cape Town on the 22d July 1829, under the sanction of the Governor of the colony, that the teas would be got at considerably less prices than the Company sell them at the present moment, and that the consumption would be greatly increased, which would much benefit the colony. From the statement I have delivered, it appears that while the population at the Cape has been increasing, the consumption of tea has been gradually decreasing. In 1816, the amount of tea sold was 125,000 lbs., when the population was 88,000; and the amount in 1828 was 77,000 lbs., when the population was 132,000.

4106. From what authority did you take the statement you have delivered in?—The value and price of tea is taken from the custom-house declarations, and the information of the Report of the Commissioners of Inquiry, and the population from the same sources; with the exception of the two last years, which are taken from the custom-house returns only.

4107. To what causes do you attribute that great diminution?—The great falling off in the relative value of interest and of labour may be one cause, and the high price of tea is another.

4108. Then you mean to say, the price of tea remaining stationary, while the price of labour and the profits of capital are reduced, the means of consumption have been lessened?—Yes.

4109. Do you know whether the Company's monopoly extends to the Mauritius?—I believe not.

4110. In the tables which you have made of the sales of tea by the Company at the Cape, and of the rate at which a private merchant could import it, have you had reference to the currency at the Cape, or to sterling money?—To sterling money.

4111. Do you grow coffee at the Cape?—No.

4112. Do you import coffee?—Yes.

4113. Are you able to state whether the importation of coffee has increased during the period that the importation of tea has

decreased?—It has been progressively increasing in quantum and decreasing in value. I have taken one or two years' statement of it, and I find it is from 180,000 to 220,000 lbs. weight. I take the three years of 1825, 1826, and 1827.

4114. If more nankeens and silks from China were consumed at the Cape, would not the consumption of British manufactures be diminished?—I do not think it would. The fact is, that the exportations from Great Britain of British manufactures affect more the Company's trade in piece-goods from Bengal; but there would be still the same consumption from this country, even if the nankeens from China were imported into the Cape. So far as regards silks I cannot say; but decidedly I am of opinion, that the quantity of nankeens imported from China for the consumption of the colony would not interfere with any manufactures imported from this country; but I am of opinion also, that by having those articles freely coming into the colony, an opportunity might be given for exportation of these articles by transit trade.

4115. Supposing that the population and the wealth of the Cape are both increasing, might not there be room for an increased importation of nankeens and of other articles from China, and also room for an increased exportation of British manufactures?—There is no question of it.

4116. Is it impracticable, under present circumstances, for parties at the Cape of Good Hope to obtain a supply of tea from the Americans?—The Americans have not accepted the Reciprocity Act, and they are not allowed to trade with us at all.

4117. Have you ever received any tea at the Cape by ships coming from Sincapore or from Bengal?—There is not a pound of tea allowed to be landed from any place (except, latterly, from London) except what is brought by the Company's ships.

4118. Are any other articles of China produce permitted indirectly to be imported into the Cape?—There are other articles.

4119. Is the Committee to understand that the Cape of Good Hope is supplied exclusively with the produce of China by the East-India Company?—No; only the article of tea.

4120. Are they then supplied with other China goods through private merchants?—Through the Company's officers direct from Canton, from private sources, from Bengal, or from any where else.

4121. You were understood to state, that from the year 1816 down to the present time there has been a progressive diminution in the consumption of tea in the colony of the Cape of Good Hope?—The statement exhibits a little fluctuation, but a very considerable decrease in thirteen years; it is not a regular progressive decrease.

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4122. How are the duties levied on articles of import by the Company and by merchants generally?—By merchants they are in the first place paid *ad valorem*. When a private merchant enters his goods for importation, he goes down with his invoices to the custom-house, and he gets a permit upon paying the duty upon his invoice *ad valorem*. When the Company import their tea, they get an indiscriminate order from the custom-house to land any quantity of tea they think proper, and then those teas are deposited in the Company's warehouses, and they pay the duties to the government upon the amount of the sales, and therefore it is impossible for an individual to know what quantity of teas the Company may have in store; they may have more or less than the consumption of the colony, and they generally have a greater quantity than is necessary for the consumption; but all that is known to the public is through the medium of the custom-house, on which they pay their duties on their sales.

4123. Are you aware whether the Company's agent at the Cape has ever granted a licence for a ship to go from the Cape to Canton for tea?—Never; I think he never had it in his power.

4124. Do you conceive that the circumstance of only two of the Company's ships touching at the Cape has a tendency to raise to an undue amount the price of the various articles they bring from China?—No doubt of it.

4125. To what extent do you conceive it does that?—It is impossible to say; I think the article of tea could be sold at the Cape from 30 to 40 per cent. less than it is; and nankeens and silks can be sold much cheaper than they would be sold at the Company's warehouses, perhaps at 25 per cent. less.

4126. Do the Dutch inhabitants at the Cape consume as much tea as the English inhabitants?—I believe they do.

4127. Is the use of tea pretty general there?—Very much so.

4128. Have you ever made an estimate of how much is consumed per head?—(*Mr. Dixon.*) According to the official returns it was formerly a pound and a half per head; but that has decreased to very little above half a pound a head.

4129. Is not the quantity of tea imported by the Company into the Cape more than sufficient for the demand?—I believe it is considerably more.

4130. Is not the price much more than the inhabitants can afford to pay?—No doubt it is.

4131. Are ships in the private trade to India in the habit of touching at the Cape?—Ships from Bengal and Bombay are frequently in the habit of touching at the Cape; the Company's ships may sometimes touch, but very seldom.

4132. Are you aware whether there is any order issued by the Company respecting their ships touching at the Cape?—I

am not aware of it from my own knowledge, but from common report I understand it is. 1 April 1830. *M. Dixon.*

THOMAS GEORGE LLOYD, Esq. Accountant General of the East-India Company, called in, and examined.

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4133. In the remittances made to the Company's Factory at Canton, there is the article of commanders' cotton-bonds £98,000; what is the nature of that transaction?—The nature of that transaction is, that the Court of Directors have given a privilege to their commanders to load cotton for China, with which they are supplied by the Presidencies of India; they give bonds for this at the Presidencies whence they lade, to pay for the same into the Canton treasury such an amount in tales.

4134. At what rate of exchange is that payment taken?—The rate of exchange at which it is taken there is according to the intrinsic value of the coins with which the Presidencies of of India have supplied the commanders.

4135. At how much per tale is that?—At the value of a rupee at the Mint-price of silver, which is a little better than 2*s*.. and their cotton-bonds are calculated at 210 sicca rupees for 100 dollars.

4136. Can you state how much per tale it makes on that transaction?—About 6*s*. 1*d*. a tale.

4137. So that the commanders get the benefit of the difference between the rate you have stated of 6*s*. 1*d*. and 5*s*. 7*d*., which you stated the real exchange from China to be?—The real exchange that I stated was 5*s*. 7*d*. for bills drawn upon England; a commander places the tale in China at 6*s*. 1*d*.

4138. Is not the difference so much profit to the commander? —I conceive not, because he pays more for his tale than he would obtain it for in exchange; he pays 6*s*. 1*d*, whereas he could have obtained a tale by bill on England at 5*s*. 7*d*.

4139. If he pays this money into the Company's treasury at Canton, the lower the rate of exchange is the higher amount of sterling money he gets for the money he pays in?—The operation is this, that he by his engagement pays so many tales into the China treasury, which in sterling money amount to 6*s*. 1*d*. a tale; if he obtained a tale by a bill upon England, he would place it in China at 5*s*. 7*d*., whereas now he places at 6*s*. 1*d*.

4140. For every tale that the Company's commander pays in he gets a sum in sterling money; if he gets 6*s*. 1*d*. for the tale instead of 5*s*. 7*d*. for the tale, is not it so much for his benefit?—I apprehend the operation is mistaken. The China commander has been advanced so many sicca rupees in India, for which he undertakes to pay into the China treasury so many tales at a stipulated rate of exchange; therefore he pays a tale, which in sterling is 6*s*. 1*d*., that is, he places 6*s*. 1*d*. in the

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Canton treasury, or gets credit for the tale at that rate; but if he drew a bill upon England, he would have the tale in his possession at 5*s*. 7*d*.

4141. Is not it clear that this money paid into the Company's treasury, costing the Company 6*s*. 1*d*. per tale, is so much dearer to them than if they got it at the actually existing exchange of 5*s*. 7*d*.; and is it not therefore so much loss to the Company?—The Company could have obtained by means of a bill on England a tale at 5*s*. 7*d*., and they place it at 6*s*. 1*d*.

4142. Therefore that is so much to the prejudice of the Company, and to the profit of the commander?—It is so.

4143. In a note to your return, it is stated that "the cost of the supplies furnished to China through India is here calculated at the intrinsic value of the India coins at the mint-price of standard value, instead of the rate affixed to those coins by the Board of Commissioners for the Affairs of India;" in what manner have the Board of Commissioners fixed those rates?—They have fixed those rates in the arrangement for the separation of the accounts between territory and commerce, which by a clause in the Act of 1813 they were empowered to do; the Act directed that the accounts should be prepared upon that principle.

4144. Upon that principle the tale is taken at 6*s*. 10*d*. and 417 decimals?—That would be the value of a tale, if we calculate the supplies from England at the Board's rates.

4145. If that is the rate pointed out by Act of Parliament, why is it deviated from?—The rate is not pointed out by Act of Parliament, but the Board of Commissioners have fixed that rate.

4146. Then when you say that by this operation the teas are put up at a price below their actual cost and charges, do you mean to say that the real cost and charge of the tale to the Company in China is 6*s*. 10*d*. and 417ths?—I mean so to say, if we calculate the supplies from India at the Board's rates.

4147. In taking your invoice of cotton shipped from Bengal of value according to what you call the mint-price of silver, at 5*s*. 2*d*., where do you find any such mint-price?—It was the former mint-price. I am well aware that 66 is now used where 62 formerly was; but I believe that the same standard exists as did formerly in respect of fine silver.

4148. You continue the old standard, which is no longer existing?—Yes.

4149. Will you have the goodness to explain how it is that the Company are entitled to rate the tale at 6*s*. 4*d*. which they now do?—The valuation of the tea is made according to the

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actual cost to the Company in pounds sterling; they have placed so many pounds sterling for the provision of their investment in that year, which in fact has produced so many tales; the cost of one tale by that operation is 6*s*. 4*d*., which I have stated before.

4150. Is there an investment purchased by the Company in India to be sent to the China market with which to pay for the teas?—There is, consisting of cotton.

4151. Do the Company themselves purchase the cotton, or do the Company's officers purchase the cotton?—The Company themselves purchase the cotton for their own investment in Bombay and Bengal.

4152. Do they receive that cotton in kind as part of the payment of land revenue?—I am not well acquainted with the Indian system, but I apprehend not; I think the cottonof Bengal is purchased in the market, or by provision, through their commercial residents.

4153. Do they purchase that cotton at the market rate?—That which is purchased in the market certainly, but that which is obtained by means of advances is not at the market rate; it is what the commercial resident can obtain it at; it is not bought at the public market.

4154. Supposing cotton to be purchased in the market, why should the sicca rupee be reckoned at 2*s*., when in fact it is only worth 1*s*. 10*d*. or 1*s*. 11*d*.?—The sicca rupee is stated in this account lower than what the Company in their commercial character are charged for it, without reference to the current exchange certainly; but the mode in which it operates as a reduction of the upset price is, that we have taken it at 2*s*. when in fact it cost us 2*s*. 3*d*. ·84.

4155. Do you mean that it is a reduction of the upset price, supposing you take the valuation put upon a rupee by the Commissioners of the Board of Control?—It is a reduction of the upset price if we take a rupee at the mint-price of silver, that being 2*s*. and a fraction, and the Board's rate 2*s*. 3*d*. ·84.

4156. Is the mint-price of silver the real value of the rupee at the present moment?—Not in exchange, certainly.

4157. Then supposing cotton is purchased in the markets of India for an investment to China, and purchased with rupees, would it not be purchased at the rate at which the rupee is current in India at the time?—If the East-India Company were not obliged in their commercial capacity to account to the territorial branch of their affairs at the high rate as regards the value of the rupee, certainly I agree that it would be so.

4158. Are not the funds coming into the Company's treasury at China parted with for a sale of cotton; and must not

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the upset price of the teas depend in part upon the price at which that cotton sells in China?—Clearly.

4159. So that if the Company were to make a fortunate adventure in their cotton trade, it would lessen the upset price of the teas; and, on the other hand, if it were to make an unfortunate adventure in cotton, it would increase the upset price of the teas?—It has precisely that operation.

4160. How do you consider that the Act of Parliament justifies the Company in confounding together two totally distinct operations, and putting upon the upset price of tea the result, either fortunate or otherwise, of their adventures in cotton?—Because I conceive that the Act of Parliament directed the Company to put up the tea at its cost; and if by a fortunate operation in commerce they place more tales in China at one time than at another, I think that the cost of the tea would be so much reduced; if, on the other hand, there is an unfortunate out-turn, the upset price of the tea would be so much increased.

4161. In every mercantile transaction with a foreign country, is not the sale price the produce of the goods sold valued in the money of that country?—It is so, certainly.

4162. Is not the prime cost of any article purchased in a foreign country the amount paid for it valued in the money of that country?—It is; but I think it all has reference to the pound sterling, ultimately.

4163. Is there any other way in ordinary mercantile transactions of ascertaining the value of such foreign money in British money, either of sale or prime cost, except the current rate of exchange between the foreign country and this country?—That is the ordinary process, but I think that the value or the cost of placing any funds in a foreign country must be regulated by the pound sterling it ultimately costs me.

4164. You are, of course, acquainted with the Commutation Act of the 24th George III.; by the 5th section of that Act, the East-India Company are required from time to time to send orders for the purchase of such quantities of tea as may be requisite for the supply of this country, and that the tea so purchased shall be put up to sale at the prime cost thereof, with the other charges thereupon. Now have you any reason to believe that it is the intention of that Act that the prime cost of purchase, as therein directed, should be calculated upon a different principle from that which prevails in all other mercantile transactions?—I apprehend that the effect to the Company is precisely what I have before stated; that they have disbursed a certain amount in sterling money, for which they have placed a number of tales in China; I conceive that that is the sound principle for establishing the cost of a single tale, and thereby they have complied with the Act of Parliament.

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4165. What reason have you to believe that "prime cost" in the Act of Parliament is to be construed differently from the construction put upon those words in all mercantile dealings?—I conceive that nothing can shake what I have stated, that for so many pounds sterling so many tales have been placed in China, consequently the price of one tale is so much in sterling money.

4166. Suppose the Company draws upon England £100,000 in bills from China, and the cost of the tale in those bills is 5*s.* 5¾*d.* at the present rate of exchange, is the Company justified under the Act of Parliament in charging the tea purchased with that £100,000 sterling at a rate of exchange which gives a different value to the tale from that at which the bills were drawn?—They are perfectly justified, inasmuch as the mode by which they have supplied their Canton treasury would, in that case, be by the operation of a mean that they have not used, or in a very limited way.

4167. Have they not drawn bills upon the treasury in England at a rate of exchange which gives the tale at about 5*s.* 7*d.*?—They have calculated the tale to have been furnished at that rate by bills.

4168. Is there any legal opinion to justify that construction of the Act of Parliament?—I am not aware that there is, because the necessity for it has never been apparent.

4169. Suppose an adventure made by the Company in manufactured goods from England or from India, upon which their loss should be 500 per cent., should you feel that the Act of Parliament was not strained by charging the tale at a rate which would cover that loss?—The instance is not very likely to arise; but certainly the mode which I have adopted would involve such an issue. But I apprehend the Company would never export goods upon which there may arise a loss of 500 per cent.

4170. It appears that in 1814 the Board of Control interfered to settle the value of the rupee for the territorial accounts of the Company. This Act of Parliament, fixing that the teas should be put up at prime cost, was passed long before any such interference on the part of the Board of Control, therefore how can the Company rest this construction of the Act of Parliament upon the decision of the Board of Control in 1814?—I do, inasmuch as I conceive the mode which they adopt is the actual prime cost to the Company.

4171. Are you aware that in the evidence of the late Mr. Charles Grant, given before the Committee of Foreign Trade in 1821, he stated that the invariable custom of the Company for a century had been to value the tale at 6*s.* 8*d.*?—I am aware that he did state so, and they are so valued in our common transactions, but certainly not for the computation of the prime

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cost of tea for the upset price; we should then have run into the errors which the Committee appear to think I have already run into.

4172. Then it was not so valued invariably in the upset price of tea?—Clearly not.

4173. To what other transactions did Mr. Grant's evidence refer?—To our profit and loss accounts.

4174. Must not the question of profit and loss in mercantile transactions be determined by the prime cost and the sale prices?—It would certainly be dependent upon such an issue; but in the computation that I have made I have assumed a rate for part of our supplies less than we pay for it; but I should say that the computation of profit and loss upon an investment from China, since the rate affixed by the Board for the coins of India, should be calculated, in as far as regards the return to India, at the Board's rate of exchange.

4175. Are you aware that it is the custom of the Company to charge part of the freight upon the woollens that they send from England upon the prime cost of the tea at Canton?—It enters into the invoice amount of the export.

4176. Does it enter into the real charge?—Clearly it has that effect, because it forms part of the invoice amount, which on the other side produces so many tales, and thus enters into the computation of 6*s*. 4*d*. a tale.

4177. Does it influence the real amount at which the freight is paid for at the export of the woollens, or is that entered upon the price of the tea?—It falls upon the price of the tea in the termination of the transaction; because, if the exports are increased in value by the amount of freight included in the invoice, and if the rate of the prime cost of the tea is increased in the same ratio, clearly it enters into the upset price of the tea.

4178. Was the same method of calculating the prime cost of the teas in China pursued before the Board fixed the rate of exchange in 1814?—The calculations for the upset price of tea before 1814 were made according to the rate of exchange of the day between China and England.

4179. You have stated that £135,000 were drawn upon the Treasury in England at the exchange of 5*s*. 7*d*.; supposing a much larger sum had been required, could those bills have been passed at the same rate of exchange?—The rate I have mentioned for the tale, in the drafts from China, was that deducting interest included in the rate for the sight of the bill; but I apprehend that, according to the usual principle, where there is a great demand for bills, the rate of exchange would have been enhanced in some degree; to what degree I am not prepared to say.

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4180. Supposing that the Company did not resort to the mode which they have adopted of remitting commodities from India to China, and that they were under the necessity of paying for a considerable portion of their investments in tea by bills, is it your opinion that such investments could be drawn for upon England at the exchange of 5*s.* 7*d.*?—The supplies from India amount to about £1,000,000 sterling; and I think if that sum was required by the supercargoes for their bills upon the Court of Directors, a considerable increase in the rate of exchange would take place.

4181. Do you contemplate an increase equal to the par which you have stated, of 6*s.* 4¾*d.*?—I recollect an instance in the year 1787, before any question, as regards the depreciation of the currency, was mooted, in which the Company drew from Canton £1,300,000 in one year; the exchange per dollar was 5*s.* 6*d.*, making the tale 7*s.* 7½ $\frac{67}{100}$*d.*

4182. Would you then calculate, that if the same operation was to take place now, and the Company were under the necessity of drawing bills to the whole extent of their investment in tea, that the bills probably would be at the rate which you have stated? —Probably not; because the trade between China and India has very much increased since that time. There are funds seeking remittance to India to a much greater extent than there were at that time.

4183. Since when have you estimated the tale at 6*s.* 4*d.*?—It varies every year according to the computation.

4184. Can you state the rate for the last eight or ten years? —In 1827-8, it was 6*s.* 7*d.*; in 1826-7, it was 6*s.* 3*d.*; in 1825-6, it was 6*s.* 4*d.*

4185. You have stated that, in your opinion, the real exchange of 5*s.* 7*d.* would be much higher if the Company did not make those shipments of cotton; in that case, would not other people make shipments of cotton, if cotton answered to send to China?—Certainly.

4186. Would not those other persons want returns for the cotton?—They might want returns to India, but would probably not be in a condition to advance money for bills upon England.

4187. Therefore it would produce a demand for bills upon some place or other?—Clearly.

4188. That being the case, would not the exchange be just the same, whether the article of merchandize was shipped by the Company or by any body else, provided it be to the same extent?—I think it would.

4189. You have stated, that you think the Company justified in carrying the result of their adventures in cotton over upon their upset price of teas; supposing the Company, as a trading

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company generally, should make any other adventure in merchandize to any part of India, the funds of which should ultimately centre in China, should you think that the mere circumstance of the funds being ultimately intended for an investment in China a justification for laying the whole result of those adventures upon the price of tea, with reference to the Act of Parliament by which they are regulated, in fixing the upset price?—I think that they would be justified, if the tales they place there cost them originally so many pounds sterling.

4190. Do you mean that the result of all their adventures, and of sometimes combined and varied adventures, whatever may be the extent of their loss or profit, should be calculated as governing the price of the tale in China?—If imports are made to India originally with a view to send the produce of their imports to China, certainly I think so.

4191. Could you give the Committee the result in tales of each specific articles of the funds furnished to China in the last year?—The bills I have stated at 5*s.* 7*d.*, that is, taking the interest out of them for the sight of the bill. The part that was supplied by sale of exports from England was 6*s.* 9 $\frac{16}{100}$*d.* The exports from India were 7*s.* $\frac{42}{100}$*d.* The drafts on the Indian government were 5*s.* 9 $\frac{27}{100}$*d.*; this is taking the supplies from India at the intrinsic value of the coins.

4192. Is not, in your opinion, the difference of the exchange between all those different items, and the real exchange which is shown by the bills, the measure of the profit and loss upon those several distinct adventures?—If you could have placed all your funds there by bills of exchange at that rate, certainly you would have appeared to have lost by all that those several modes have cost you in excess.

4193. The exchange of Canton upon England, by the last advices, has fallen to 3*s.* 11*d.* the dollar, giving 5*s.* 5½*d.* for the tale; to what do you attribute the progressive fall of the exchange from Canton to England of late years?—I conceive it can only arise from the want of demand for bills upon England that persons have furnished their funds for their mercantile adventures in another way.

4194. That is, that a greater quantity of merchandize has been sent either from England or from India, or from other parts to China?—Yes.

4195. If the trade were open, and the quantity of goods sent were still greater, do you not apprehend that the same result would occur in China that has occurred at Calcutta, that the exchanges would continue to be favourable to this country?—They would fall, but not below the value of remitting the bullion.

4196. You attribute the fall to the greater supply of goods

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sent to China?—Certainly; there is little demand for funds, by means of bills, to carry on the trade.

4197. Then, of course, nothing is likely in a state of peace to affect those exchanges, unfavourable to England, except a diminished supply of goods to the Chinese market?—No.

4198. Do you know whether persons at Calcutta have not found it advantageous at times to make remittances to England through Canton?—I know it has been done.

4199. Is the Committee to understand, from the printed tables of the prime cost of tea, that the tale is to be taken at 6*s.* 4¾*d.*?—No, that is for profit and loss; at the rate of 6*s.* 8*d.*

4200. Can you state the average value of the tale in the upset price of tea for the last ten years?—I will furnish the Committee with a statement of it.

4201. How do you explain the difference of the amount of tea purchased in Canton, as compared with the sales; because in one year there appears a difference of 10,000,000 of lbs. between the amount purchased at Canton and the amount sold here?—We are obliged, by Act of Parliament, to keep a twelvemonth's stock, and the reason for that large import was to maintain the stock at the rate prescribed by the Act.

4202. What allowance do you make for wastage?—We make about one per cent. allowance for wastage, and one per cent. for allowance to buyers; about two per cent. is the difference between the sale weight and the invoice weight.

4203. In this statement of the freight and demurrage, in No. 31 of the papers of last year, what proportion is to be charged to the Indian trade, and what proportion to the China trade?—Those are freight payments for the year; more ships may arrive from China in one year than another, or more from India. I cannot, without looking at the accounts, say the proportion, but I should conceive that you might take probably four to China and the rest to India, in the proportion of about two-thirds.

4204. Do the losses appear in the statement of the commercial freight?—No; the losses are stated distinctly in our computation of profit and loss: the Company's per-centage of loss since the year 1814 has been about ¾ per cent.

4205. What rate of freight do you consider to fall upon each pound of tea upon the whole?—Black tea, about 4½*d.*; green tea, about 5½*d.*

4206. Can you explain why the Company charge 3 per cent. upon the insurance when the same insurance can be done in the market at 2½ per cent.?—I am not aware that it can be done at 2½ per cent. But this rate of insurance is submitted every year to our commercial committee; there are many gentlemen in that

1 April 1830. committee who are merchants, and they approve of the rate that we assume.

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4207. How many years' interest in the putting-up price do you charge upon the tea?—We charge two years upon the cost and the insurance, one year upon the freight and demurrage.

4208. Do you conceive that you are justified in charging two years' interest by the Act of Parliament?—I conceive that we are justified, inasmuch as we are obliged to keep one year's consumption in the warehouse; and that from the date of the shipment to the time we realize the produce of the shipment is more than two years.

4209. Does not the Act of Parliament specify that one year's interest only is to be calculated?—No.

4210. How many years' consumption have the Company by them?—One year's clear consumption.

4211. And one in transit?—Yes.

4212. Then they have only two years' consumption, including the one in transit?—At the present time there are, I should think, 30,000,000 of lbs. in the warehouse.

4213. Is not the interest by Act of Parliament chargeable upon the arrival of the tea in England, and not before its arrival?—I conceive that the interest should be reckoned from the time they ship the tea to the time of its sale; the Act of Parliament only says, lawful interest on money.

4214. The words of the Act of Parliament are as follow: "That it shall not be at any time hereafter lawful for the said United Company to put up their tea for sale at any prices which shall upon the whole of the tea so put up at any one sale exceed the prime cost thereof, with the freight and charges of importation, together with lawful interest from the time of the arrival of such tea in Great Britain, and the common premium of insurance, as a compensation for the sea-risk incurred thereon." Having heard those words, will you state upon what authority it is that more than one year's rate of interest upon the stock of tea is charged?—Because we keep a stock always in the warehouse, and it is two years before the import is sold.

4215. Have you then two years' stock in warehouse?—At times.

4216. Is it or is it not the fact, that interest upon a stock of tea calculated upon a consumption of two years is now charged upon the price?—I know that tea is not sold under two years in many cases.

4217. Do you charge interest for two years?—Yes.

4218. Is it not sold till two years after its arrival in this country?—Two years after its arrival, in great part.

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4219. Will the teas of this season not be sold till 1832?—Part of it may, but we have other tea that has been a longer time in the warehouse.

4220. Are not the teas sold quarterly?—Yes, they are sold in December, March, June, and September.

4221. With reference to the 24th of Geo. III. c. 48, at what bidding upon the upset price might teas be purchased according to those provisions?—At 1*d*. per pound.

4222. At what excess upon the upset price is the Company satisfied to let the tea be sold?—At a farthing a pound under 3*s*. 4*d*., and a halfpenny a pound above.

4223. If the teas are refused at the upset prices, are they subsequently put up without any price whatever?—They are put up without price.

4224. When will the next sale be?—There is a sale just over; the next sale will be in June.

4225. Will the sale of June 1830 be of teas that have been in the Company's warehouse two whole years at that period?—Some may, and some may not.

4226. Will the greatest part be?—I conceive that our calculation of two years is a fair average rate of interest for the whole of the period that the tea remains unsold.

4227. How much of the tea sold at the quarterly sales has been two whole years in the Company's warehouse?—I cannot tell.

4228. Is it any great proportion?—I cannot tell what proportion without looking into it.

4229. Would it be possible to furnish the Committee with the exact information?—Yes; although the teas may be put up, they are not paid for for two months afterwards.

4230. The Act of Parliament requires that the Company should have in its warehouses one year's full supply of tea for this country; do not you conceive that you have complied with the requisition of that Act of Parliament by keeping the tea which is imported in one year to the same period in the next year, and then putting it up?—I apprehend that we should only comply with the Act of Parliament by keeping a twelvemonth's consumption always in the warehouse.

4231. Will you look at No. 32 of the papers presented in June 1829, and state how the prime cost of teas in that account is calculated?—At 6*s*. 8*d*. a tale.

LONDON:
Printed by J. L. Cox, Great Queen Street.

FOURTH REPORT.

THE SELECT COMMITTEE appointed to inquire into the Present State of the AFFAIRS OF THE EAST-INDIA COMPANY, and into the TRADE between *Great Britain*, the *East-Indies*, and *China;* and to report their Observations thereupon to the House; and who were empowered to report the MINUTES OF EVIDENCE taken before them from time to time to the House;—

HAVE made a further Progress in the Matters to them referred, and examined several other Witnesses; the MINUTES of whose EVIDENCE they have agreed to report to the House up to this 5th day of April, inclusive.

5th April 1830.

MINUTES OF EVIDENCE.

Lunæ, 5° *die Aprilis* 1830.

WILLIAM WARD, Esq. in the Chair.

April 1830. Esq.

THOMAS GORE LLOYD, Esq. Accountant-General of the East-India Company, again called in, and examined.

4232. WILL you have the goodness to explain to the Committee more particularly the mode of computing the interest on the upset price of tea?—The mode adopted is to charge an interest for six months upon the funds placed in China, for the provision of investment, from the time of their being placed there till the time of the arrival of the ships in England; and secondly, to charge eighteen months' interest from the arrival of the ship in England till the realization of the sale proceeds in the Company's treasury: these two sums constitute a period of two years, which appears in a Statement I formerly delivered in. It will be more clearly seen what my view is, if I deliver in an amended Statement, drawn out upon the principle I have now stated.

[*The witness delivered in the same, which is as follows:*]

No. 1.—AN ACCOUNT showing the Rate per Tale at which FUNDS for the CHINA INVESTMENT were provided in Season 1828-9.

Balance of cash and available assets in China, end of season 1827-8, calculated at the rate per tale of that season, *viz.* 6*s.* 7·442*d.* per tale		£. 81,040	Tales......		244,827
Supplies from India and England, 1828-9:	£.		*Amount realized in China,* 1828-9:	Tales.	
BENGAL:					
Invoice amount of cotton (calculated according to the intrinsic value of the Sicca rupee at the mint price of silver, *viz.* 5*s.* 2*d.* per oz.)	234,043	......	Produced in China....	850,518	
Freight of cotton by country ships, payable at Bengal, calculated at the same rate	20,280	......			
Commanders' cotton bonds, do. do.	98,350	....	Received..do..	326,718	
Bills drawn on Bengal, do. do. ..	562,592	....	Do. .... do..	1,964,421	
MADRAS:					
Invoice amount of cotton, calculated at the intrinsic value of the Madras rupee, as above ..	103,152	....	Produced . do..	267,980	
Ditto sandal-wood, do. do.	14,198	....	Do. .... do..	65,728	
BOMBAY:					
Invoice amount of cotton, calculated at the intrinsic value of the Bombay rupee, as before..	94,291	......	Do. .... do..	379,005	
Freight of cotton by country ships, payable at Bombay, calculated at the same rate	1,894	......			
Commanders' cotton bonds, do. do.	53,480	....	Received..do..	184,159	
ENGLAND:					
Invoice amount of consignments	717,504	....	Produced..do..	2,161,133	
Bills and certificates drawn on the Court	135,813	....	Received..do..	484,514	
Supercargoes' commission on the above outward trade, payable in England	24,772				
Freight of consignments from India to China, as above, by European ships, payable in England	71,613		Total amount realized in China for supplies of the Year		6,687,176
					6,932,003
Total amount of supplies from India and England, including charges payable in India and England on account of the same		2,131,982	Deduct: Amount paid for interest in the year.		411
		£ 2,213,022	Tales....		6,931,592

Or at 6*s.* 4·621*d.* per tale, or 4*s.* 7·169*d.* per dollar.

THOS. G. LLOYD, Accountant-General.

East-India House, 5th April 1830.

No. 2.——AMENDED ESTIMATE of an Estimate delivered in by the Witness in his Examination of the 31st March.

Estimate of the Cost, Freight, and Charges of each Species of Tea per Pound, imported in the Year 1829.

	BOHEA.	CONGOU. Winter Purchased, and below Contract.	CONGOU. Contract.	CAMPOI.	SOUCHONG.	TWANKAY.	HYSON SKIN.	HYSON.
	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.
Cost in China calculating the tale at 6s. 4d. ·624, the actual cost of a tale in China, season 1828-9, as per Account No. 1. (*calculating the supplies from India to China according to the intrinsic value of the coins at the Mint-price of silver*)	0 9·666	0 11·679	1 4·150	1 7·738	1 11·022	1 4·000	1 4·466	2 2·720
Insurance 3 per cent. on cost, premium covered.	0 ·299	0 ·361	0 ·499	0 ·610	0 ·712	0 ·495	0 ·509	0 ·826
Interest, from the provision of funds in China to the arrival of the investment in England (six months on cost and insurance, at 5 per cent. per annum)	0 ·249	0 ·301	0 ·416	0 ·509	0 ·593	0 ·412	0 ·424	0 ·689
Freight and demurrage..................	0 4·200	0 4·200	0 4·200	0 4·200	0 4.200	0 5·250	0 5·250	0 5·250
Expenses of landing, housing, warehouse-room, carting, preparing for sale, and all charges of merchandize	0 1·600	0 1·600	0 1·600	0 1·600	0 1·600	0 1·600	0 1·600	0 1·600
Interest, from the arrival of the teas in England to the estimated realization of the sale amount, eighteen months on cost and insurance, twelve months on freight and charges, at 5 per cent. per annum	0 1·038	0 1·193	0 1·539	0 1·816	0 2·070	0 1·580	0 1·616	0 2·408
Supercargoes' commission, 2 per cent. on net sale amount, deducting charges	0 0·261	0 0·394	0 0·437	0 0·479	0 0·598	0 0·422	0 437	0 0·826
	1 5·313	1 7·728	2 0·841	2 4·952	2 8·795	2 1·759	2 2·302	3 2·319

East-India House,
12th November 1829.

THOS. G. LLOYD,
Accountant-General.

5 April 1830.

T. G. Lloyd, Esq.

4233. It appears, then, that there is some enhancement of price in consequence of the tea being kept one year, inasmuch as the interest of the money is going on, and there is also the expense of warehouse-room?—There is.

4234. Supposing any injury to occur to a cargo sent from Bombay, or from England to Canton, by which a loss is sustained upon the sale in China, should you reckon that loss as a part of the prime cost of the tea?—That is covered by the rate of insurance.

4235. Supposing that by bad package, or by leakage, or by shifting of the cargo, or any of the accidents to which the cargoes are liable, it arrived in a damaged state in China, and thereby was sold at much less than the price of the cargo, should you set that off in the prime cost of the tea purchased in Canton?—It would sell at so much less, and consequently increase the value of the tale in that ratio, if not covered by the insurance.

4236. Under what provision of the Commutation Act do you charge interest for six months in China?—There is certainly no provision in the Commutation Act; but I conceive that to be a fair mercantile charge to make. The Act provides for the interest after the arrival, and the charge of interest till the arrival is a mercantile charge, an essential part of the prime cost.

4237. Is not the making such a charge expressly forbidden by the Act of Parliament?—I think not.

4238. Is not the only charge of interest which the Act allows "lawful interest from the time of the arrival in Great Britain?"—That is after the arrival; but any merchant would say interest is part of the prime cost of the goods; the prime cost includes interest upon the capital employed.

4239. Do you charge interest upon the freight for two years?—No, for one year.

4240. Is not the principal part of the freight paid after the return of the ship to England?—The freight is paid first by an impress before the ship departs; secondly, thirty days after the clearing of the ship we pay a moiety of what is due, and sixty days after that the remaining moiety.

4241. What is the amount of impress paid on the ship?—The impress is so much a ton.

4242. Is it a tenth part of the freight?—No, I think not.

4243. Is it a twentieth part?—It may be.

4244. Then the freight is charged with a year's interest, though the greatest proportion of it is not paid till after the ship has delivered her cargo?—After the ship has delivered her cargo.

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4245. Is interest paid on the commissions of the supercargoes?—None at all.

4246. Upon what principle do you charge interest for a year upon the freight?—Because it is not paid until after the arrival of the ship. If I were to charge as much as I do upon the cargo, we should be charging too much: the payments are made about three months after the ship arrives, and the teas are estimated to remain in warehouse for eighteen months, so that in fact it is a short charge of interest.

4247. Does not the price of freight vary considerably in the different ships employed by the Company?—Yes.

4248. How do you settle the upset price, having regard to the difference of the freight?—An average is taken, which is furnished to me by the officer at the head of the freight and shipping department.

4249. Does not the item of impress, which you state to be the first payment on account made by the Company, amount to two months' wages paid to the whole ship's company, or is it any thing beyond that?—It is not precisely in my department, but I believe it to be so much per ton.

4250. Then the amount of impress will depend on the size of the ship and the number of crew?—The size of the ship.

4251. Is not the tea that is put up for consumption often nearly three years from the time of its leaving Canton to the time of its being sold?—Yes.

4252. Can you state what proportion of the whole quantity is kept for that period?—I cannot tell from recollection.

4253. What should you state as the average time?—I cannot say any other than eighteen months, the period I have assumed in the accounts delivered in.

4254. Do you not conceive that by the Act of 24th Geo. III., supposing the Company had a sufficiency of tea for one year's consumption, including that which is in their warehouses and that which is *in transitu*, they would have complied with that Act of Parliament?—I believe they would, but I speak with some hesitation.

4255. Then it is not necessary, under that Act of Parliament, that the tea should be so long kept by the Company before it is sold?—The Company has been always anxious to promote the consumption of tea, and with that view to be provided with an adequate supply for any increased demand.

4256. Are you not aware that, looking at the words of the Act, it is stated that the Company shall from time to time send orders for the purchase of such quantities of tea, and provide sufficient ships to import the same, as, being added to the stock in their warehouses, and to the quantities ordered and not arrived, shall amount to a sufficient supply for the keeping of a

stock at least equal to one year's consumption, according to the sales of the last preceding year, always beforehand?—The Act says so, I perceive. 5 April 1830. T. G. Lloyd, Esq.

4257. Supposing the tea purchased by the Company to be paid for by bills drawn upon England or drawn upon India, what is the average duration of those bills?—Bills have been drawn on various terms: sometimes they are a twelvemonth after date, at other times at twelve months after sight, and in other various ways; on India they are drawn at thirty days' sight.

4258. When bills are drawn in Canton in January, payable by the Court of Directors in December following, is the interest, according to the account you have given in, charged from the January, when assets were received in China for the purchase of the teas, or from December, when the bills were satisfied by the Court of Directors?—Not until the bill is satisfied.

4259. You have given in an account of the profit and loss of the East-India Company's trade between Europe and India, Europe and China, and China and India. There is a note in that, saying, that "had the Company's profit and loss accounts been made up at the mercantile rate of exchange as ascertained from the rates at which bills have been drawn from London on Calcutta in each year, instead of the rates fixed by the Board of Commissioners for the Affairs of India as regards the repayment of territorial advances, the above account of their trade between Europe and India would have exhibited a profit of £446,114 instead of a loss of £2,009,872, making a difference of £2,465,986;" and then it goes on to say, that "the profit on their China trade would also have been increased in the same period by the sum of £1,545,943, making a total difference of £4,011,929." How is the calculation made of that last item, by which the profit on the China trade would have been increased by the sum of £1,545,943?—Because a great part of the supply for the China investment is furnished through India, in reimbursement of territorial charges paid in England, and adjusted at the rate of exchange fixed by the Board of Commissioners for the Affairs of India.

4260. Therefore the only element which constitutes this difference, is the difference between the real exchange on Calcutta and the nominal exchange fixed by the Board of Controul?—Exactly.

4261. The only difference being the difference between the rate of exchange fixed by the Board of Commissioners and the real rate of exchange between London and Calcutta, how is this circumstance accounted for, that upon the sum of £16,000,000 sterling trade between India and London there is a difference arising from that circumstance of £2,004,650, whilst upon the trade between China and London of £18,264,000 there is only a difference of £154,500; how is that accounted for, as the

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same element of difference entering into both calculations, the rate of difference ought to be proportionate?—It depends upon the amount that has been respectively applied to the two trades of those sums for which we pay the high rate of exchange. This high rate of exchange attaches only to the re-payment of the advances made from commerce to the territory; there have been other funds applied to the China investment upon which the Board's rates of exchange have no operation. Equally so in India; all commercial funds do not enter at all into the computation, only those sums arising from the re-payment of the advances which the commerce has made to the territory.

4262. Why do you take in your calculation of the profit and loss of the East-India Company's trade between India and China, the prime cost at 6*s.* 8*d.*, when you state that the prime cost was called by you the sum which the tale cost the East-India Company, delivered into the treasury at Canton from the investments they have made?—Because upon the whole of the transactions from the year 1814 down to the latest period, the tale has been proved to cost, within a fraction, 6*s.* 8*d.*

4263. Then what you state is, that the tale delivered into the treasury at Canton has, ever since the year 1814, cost the Company 6*s.* 8*d.* upon the average?—Within a fraction.

4264. When you state that the average value of the tale since 1814 has been 6*s.* 8*d.*, is that average made up of all the bills drawn upon England and India as well as upon all the commercial transactions of the Company at Canton?—Upon every transaction that has drawn money into the treasury at Canton.

4265. Then, of course, it would have been higher if it had not been for the exchange having fallen from Canton upon England?—In whatever degree the exchange has fallen, the Company has had the benefit of it upon all the bills the supercargoes have drawn.

4266. Supposing that the whole of the credit created to the Company at Canton had been produced by the sale of investments from India or from England, the tale must have been valued higher than 6*s.* 8*d.*?—By taking a part of the credit by bills of exchange, certainly that has tended to reduce the value of the tale.

4267. Did you mean to say that the whole benefit arising from the fall of the exchange accrued to the Company, or to the consumers of tea in this country?—If the Company obtain money at a low rate of exchange, that benefit rests with them; but the consumer of the tea has the benefit of it in the upset price.

4268. In what way does the Company decide upon the quantity of tea they will put up at the sales?—That decision does not rest with my department; it is with our Commercial Committee, which I do not attend ordinarily.

4269. Since cotton is no longer received as revenue at Bombay, have not the Company been in the habit of buying cotton there to send to China?—They have purchased cotton to send to China. 5 April 1830. T. G. Lloyd, Esq.

4270. Are you aware at what rate of exchange the price of the cotton at Bombay is brought into the account at the India-House, in the prime cost of the tea, or how is that settled?—I cannot exactly state from recollection; I think it is 216 rupees for 100 dollars.

4271. In the transactions between Bombay and Canton, do you take the whole cost in tales, or do you take partly the prime cost as valued at Bombay, and partly the value in China?—The cost of the cotton would be the number of rupees we pay for it at the Board's rates.

4272. Then you would debit commerce with that advance at the Board's rate?—Yes.

JOHN CRAWFURD, Esq. again called in, and examined.

4273 ARE you aware of the mode in which the mining was carried on at the island of Banca?—Yes. John Crawfurd, Esq.

4274. It is stated in a discourse addressed by Sir Stamford Raffles to the Society of Arts at Batavia, in the year 1815, that almost all the operations connected with the process of mining and refining the metal are performed by the Chinese; does that fact consist with your knowledge?—All that is well done is done by the Chinese; and by far the greater part of the whole is done by them.

4275. Up to what period are you able to give this information?—I can state it from the best information to the year 1825.

4276. It is also stated by Sir Stamford Raffles, that the Chinese preserve on Banca their original habits of industry, enterprize, and perseverance, and that they are amongst the most useful of the inhabitants, and indispensable in the labours of the mines; does that also consist with your knowledge?—Perfectly.

4277. Is the mining in Banca carried on in a very simple manner, or is there a great deal of machinery used?—A great deal of machinery.

4278. Is that made by the Chinese?—It is. There are no other people in that part of the world who have the least notion, either how to construct machinery or how to make use of it.

4279. In a letter from Sir Stamford Raffles to Lord Buckinghamshire, in the year 1813, he states that the island of Borneo is rich in precious metals, and that it possesses on one convenient spot a population of nearly 100,000 Chinese, who work the gold mines on their own account, and who would gladly submit to, and have invited British regulation; does that consist

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with your knowledge of the state of Borneo?—The existence of a very large population working gold mines consists with my knowledge, but not the last fact.

4280. Was there any export of this gold from Sincapore?—A large import and export every year.

4281. Are you aware whether it is the fact that the Chinese work the gold mines on their own account?—Yes, exclusively on their own account.

4282. Do they acquire land in Borneo, and become permanent settlers?—There is so much land in Borneo that any body may have it; but they are permanent settlers in the island.

4283. In what part of the island are those gold mines?—In the country lying between a place called Pontianpa and Sambas, towards the south-western part of the island.

4284. Is it near the coast?—Not very far from the coast, at the foot of the mountains. The gold is from *streams*, or found in alluvial land.

4285. You have stated that it has been exported from Sincapore; will you state the course of the trade?—There is a large quantity of gold brought from various quarters to Sincapore by the Chinese, and by the natives of Celebes, and by the Malays, but the greater bulk of it is produced through Chinese industry. The Chinese, I ought also to observe, are employed in the same way on the eastern coast of the Malay peninsula.

4286. Can you state the amount of the export of gold from Sincapore?—I think it has generally amounted to as much as 1,000 pounds weight troy.

4287. In a letter addressed by Sir Stamford Raffles to Mr. Ramsay, the Secretary of the East-India Company, in the year 1813, he states, that "a great proportion of the trade between China and Batavia is now carried on by Chinese capitalists trading direct from Amoy and the northern ports of China, with which a constant intercourse is kept up; and it would be impossible to restrict a trade which appears to have been so long established, and which proves so essential and advantageous to all concerned in it." Does your opinion concur with the opinion so given by Sir Stamford Raffles?—Precisely; that forms a branch of the junk-trade that I formerly endeavoured to describe to the Committee.

4288. Do you agree with them in opinion that it would be impossible to restrict a trade which has been so long established, and which proves so essential and advantageous to all concerned in it?—That is my opinion.

4289. In a letter of Sir Stamford Raffles from Bencoolen, dated the 17th of July 1820, there is contained the following statement:—"What you observe with respect to British cottons through this port to China, is a most important question;

the affair is perfectly practicable, and nothing more easy. Upwards of 10,000 tons of raw cotton are annually sent to China from our territories in India; why should we send our raw produce to encourage the industry of a foreign nation at the expense of our manufacturers?—If India cannot manufacture sufficiently cheap, England can, and it is idle to talk of the cheapness of our manufactures, unless we can bring them into fair competition. I see no reason why China should not be in a great measure clothed from England; no people study cheapness so much; and if we can undersell them, we have only to find the way of introducing the article. The monopoly of the East-India Company in England, and of the Hong merchants in China, precludes the idea of any thing like fair competition in our own ships, or in the port of Canton. Not but the East-India Company can, and perhaps will assist as far as in them lies, but their ships are too expensive. The articles would also pass through the Hong merchants before they reached the general trade, and commerce and the intermediate profits would form another barrier." Do you agree in the opinions stated in that letter?—Not in the whole of them.

4290. Will you state in which you agree, and how far you differ from them?—I differ from the doctrine contained in the early part of it, that we ought not to encourage the industry of a foreign nation at the expense of our own. I do not know what is meant there by the industry of a foreign nation. If by this industry is meant that of the natives of India, who are not foreigners, but British subjects, I agree entirely in thinking that it is very practicable to supply China with our cotton manufactures, and in the probability of our contributing very materially towards clothing China from England.

4291. Are you aware of any difference in duty which exists between tea sent out of China in foreign bottoms, and tea sent out in bottoms of that country?—I cannot specify exactly what the duties are in each case; but I know there is a mode of evading the duty altogether on the part of the junks. I also know that the junks pay no port-charges.

4292. You have paid considerable attention to the general state of the commerce of the eastern world?—I have.

4293. Has your attention been directed to the China trade, and the trade in tea especially?—Yes, for a good number of years I have paid particular attention to the tea-trade.

4294. Are you enabled from that attention, and the observations you have made since your return to Europe, to furnish any further information to the Committee on the subject, in addition to the evidence you have already given?—I have prepared a good number of documents upon the subject of the tea-trade, which I beg now to offer to the Committee.

[*The witness delivered in several Papers, from No. 1 to No. 22, and the same were read, as follow:*]

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No. 1.—Comparative Statement of the Prime Cost of the East-India Company's and American Teas at Canton, for the Year 1821-2.—For the Company's Prime Cost see "Accounts relating to the Tea Trade, No. 4," Ordered by the House of Commons to be printed, 14th May, 1824; and for the American, "Statement of the American Trade at the Port of Canton," Season 1821-2. The Tael in the American Account is reckoned at the rate of 72 Taels for 100 Dollars, or 6*s.* nearly.

TEAS.	Quantities.	East-India Company's Prime Cost.		American Prime Cost.		Excess of East-India Company's Prime Cost.	
		Total.	Per lb.	Per lb.	Total.	Total.	Per cent.
	lbs.	£.	*s.* *d.*	*s.* *d.*	£.	£.	
Bohea	1,653,099	65,013	0 9·43	0 5·94	40,952	24,061	58
Congou......	19,442,034	1,401,763	1 5·34	1 2·58	1,181,103	223,660	18
Souchong	69,387	7,645	2 2·44	1 0·95	3,744	3,901	104
Sonchi	37,494	3,303	1 9·14	1 0·95	2,023	1,280	63
Twankay	3,678,040	263,639	1 5·20	0 11·88	182,062	81,577	44
Hyson-skin ..	168,620	12,727	1 6·11	0 10·8	7,587	5,140	67
Hyson	665,789	92,251	2 9·25	1 9·60	59,928	32,323	53
Young Hyson .	31,976	3,371	2 1·32	1 4·74	2,230	1,144	51
	25,746,439	1,852,715	—	—	1,479,629	373,086	—

Note.—Sonchi is a variety of black tea not found among the American exports, nor in the Canton price-currents. It is a variety of souchong, and therefore calculated at the same price. The American teas embrace those which are sent to the Continent, such as twankay and congo, which may account for the high price of the latter, as that consumed in Holland is alleged to be equal in quality to that of the East-India Company.

No. 2.—Comparison between the Company's Invoice Prices of Tea, at the respective Rates of 6*s.* 8*d.* sterling, and at the rate of 72 taels to 100 dollars, each of 4*s.* 3*d.* ·79.

YEARS.	East-India Company's Invoice Price.	Invoice Price, at 72 Taels to 100 Dollars.	Difference.
	£.	£.	£.
1819-1820	1,877,402	1,666,946	210,456
1820-1821	1,896,476	1,683,882	212,594
1821-1822	1,852,715	1,645,026	207,689
1822-1823	1,924,738	1,708,975	215,763

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No. 3.—Comparative Statement of the Quantities of Green Tea exported from Canton in the Season 1821-2, by the East-India Company, and by the Citizens of the United States. "Accounts relating to the Tea Trade," ordered by the House of Commons to be printed, 14th May 1824 (No. 4.)—Statement of the American Trade with Canton in the Season 1821-2.

TEAS.	By the East-India Company.	By the Americans.
	lbs.	*lbs.*
Twankay	3,672,040	28,000
Hyson Skin	168,620	2,548,400
Hyson	665,789	752,666
Young Hyson	31,976	2,024,533
Gunpowder	—	213,866
Imperial	—	510,800
	4,544,425	6,078,265*

* Excess by Americans 1,533,810 lbs., or one-third more.

The total quantity of Tea exported by the East-India Company was 25,746,339 lbs., of which the greens constituted 17 in 100.

The total quantity of Tea exported by the Americans was 9,292,400 lbs., of which the greens constituted 65 in 100.

No. 4.—A Statement, showing the Prices of the different Kinds of Tea, without Duty, in London, Halifax, and New York, respectively, in 1829, from Price-Currents of these respective Places.

TEAS.	London, November.		Halifax, November.		New York, July.		Amsterdam, July.	
	s.	*d.*	*s.*	*d.*	*s.*	*d.*	*s.*	*d.*
Bohea	1	8	1	8·52	0	9·83	0	9·67
Congou	2	4¼	2	3·36	none.		1	6·02
Souchong	4	1½	3	5·04	1	7·40	1	2·93
Hyson Skin	2	10½	2	5·07	1	4·56	1	3·47
Young Hyson	3	11½	none.		2	3·81	none.	
Hyson	4	3½	4	7·57	2	7·05	2	10·04
Gunpowder	5	1	4	7·57	3	2·55	3	10·91

Note.—The Prices quoted in the Halifax Price-Current are reduced to sterling money by deducting 10 per cent.; 5 per cent. is taken off for the duty. The American dollar is taken at its sterling value of 4*s.* 3¾*d.* It appears from this table that the average of the London prices exceeds those of Halifax by little more than 9 per cent.: that the Halifax prices exceed the New York prices by 60 per cent.: the London the New York by near 75 per cent.: and the London the Amsterdam by 76 per cent.

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No. 5.—COMPARATIVE STATEMENT of Importations and Exportations of TEA by the East-India Company and the Citizens of the United States of America.—"East-India Trade from 1826 to 1829," Ordered by the House of Commons to be printed.—"Commerce and Navigation of the United States;" from 1826 to 1829.

YEARS.	By EAST-INDIA COMPANY. Imports.	By EAST-INDIA COMPANY. Exports.	Importations into United States.	Exportations from United States.	American Exports from China to Foreign Parts.	TOTAL American Exports.	Excess of Exports from America beyond those from Great Britain.	TOTAL Excess of American Exports beyond those of East-India Company.	PROPORTION Of Exports to Imports. Great Britain.	PROPORTION Of Exports to Imports. America.
	lbs.	lbs.	lbs.	lbs.	lbs.	lbs.	lbs.	lbs.		
1825	29,345,699	450,209	10,209,548	3,035,808	1,762,000	4,797,808	2,585,599	4,347,599	as 1 to 65	as 1 to $2\frac{1}{10}$
1826	29,840,401	279,070	10,108,900	2,804,753	1,360,800	4,165,553	2,525,683	3,886,483	— 1 to 106	— 1 to $2\frac{4}{10}$
1827	39,746,147	254,991	5,875,638	1,626,417	357,966	1,984,383	1,371,423	1,729,389	— 1 to 155	— 1 to $2\frac{9}{10}$
1828	32,678,731	259,493	7,707,427	1,417,816	910,000	2,327,846	1,158,353	2,068,353	— 1 to 122	— 1 to $3\frac{3}{10}$

No. 6.—COMPARATIVE STATEMENT of East-India Company's Sale Price and Bond Price of Congou and Hyson Teas, for five Years.

TEAS.	1818.			1819.			1820.			1821.			1822.		
	Company's average Sale Prices.	Bond Price.	Advance per cent.	Company's average Sale Prices.	Bond Price.	Advance per cent.	Company's average Sale Prices.	Bond Price.	Advance per cent.	Company's average Sale Prices.	Bond Price.	Advance per cent.	Company's average Sale Prices.	Bond Price.	Advance per cent.
	s. d.	s. d.		s. d.	s. d.		s. d.	s. d.		s. d.	s. d.		s. d.	s. d.	
Congou	2 4·78	3 2·83	34	1 9·25	3 0·50	71	2 1·88	2 11	35	2 5·28	3 0	22	2 5·43	3 1·37	26
Hyson	4 11·83	5 3·62	$4\frac{6}{10}$	5 3·66	5 4·25	$\frac{9}{10}$	5 6·04	5 8·33	$3\frac{4}{10}$	4 8·53	5 6·33	13	4 3·24	4 11·07	15

Note.—The Company's Sale Prices are taken from No. 41, of "Papers relating to the Finances of India, &c., the Trade of India and China," presented by His Majesty's command February 1830, and the Bond Prices from a table in Mr. Tooke's Book on High and Low Prices.

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No. 7.—A STATEMENT showing the Average Sale Price of the following Articles of Indian Produce, for the fifteen Years ending with 1828-29

YEARS.	Tea, per lb.		Sugar, per cwt.		Black Pepper, per lb.	Cotton Wool. per lb.		Saltpetre, per cwt.	
	s.	d.	s.	d.	d.	s.	d.	s.	d.
1814-15	3	4·53	58	8	15½	1	2¼	89	6
1815-16	3	1·23	49	1	10½	0	11½	87	0
1816-17	2	11·63	52	0	8½	1	1¾	57	3
1817-18	3	0·78	49	0	8½	1	0	40	6
1818-19	3	0·23	49	10	8¼	0	11½	41	3
1819-20	2	9·16	40	7	7	0	8½	36	0
1820-21	2	9·43	34	0	6½	0	6	28	5
1821-22	2	10·19	25	6	7	0	5½	25	7
1822-23	2	9·94	31	6	7	0	6	26	0
1823-24	2	10·31	30	0	6	0	6½	25	6
1824-25	2	9·94	26	0	5½	0	5½	21	6
1825-26	2	8·51	35	0	6¼	0	6½	25	8
1826-27	2	6·40	30	0	4½	0	5¼	22	0
1827-28	2	4·56	33	0	4	0	4	23	11
1828-29	2	3·97	35	0	3	0	4½	23	6

ABSTRACT.

	Fall of Price In 5 Years.	In 10 Years.	In 15 Years.
	Per Cent.	Per Cent.	Per Cent.
Tea	10	14	30
Sugar	15	48	40
Pepper	46	61	80
Cotton....................	19	54	68
Saltpetre	53	71	73

Note.—For the first six years, Mr. Tooke's Book on High and Low Prices, London, 1824. The quotations there given are from Prince's London Price-Current. For the last nine years, the average sales at the India House, from the accounts laid before Parliament from 1820 to 1829.

No. 8.—COMPARATIVE STATEMENT of the Quantities of Teas exported from Great Britain and the United States of America, in the Year 1827.

	East-India Company.	United States.	Excess by United States.	REMARKS.
	lbs.	lbs.	lbs.	
Russia	—	—	—	Prohibited.
Sweden	83	—	—	
Norway	—	—	—	
Denmark	—	—	—	A monopoly in Denmark.
Prussia	—	—	—	Supplied with Dutch and American teas through the Netherlands.
Germany	18,893	759,617	740,724	
United Netherlands	1,531	85,393	83,862	
France	333	292,160	291,827	
Portugal, Proper	—	—	—	
— Azores	83	2,889	2,806	
— Madeira	195	2,809	2,614	
Spain and Balearic Isles	49	618	569	
— Canaries	793	720	—	
Gibraltar	434	244,868	244,434	
Italy and Italian Isles	2,063	} 20,798	18,330	
Malta	395			
Ionian Islands	149	—	—	
Turkey	—	} 1,625	1,625	
Egypt (Ports on Mediterranean)	—			
Tripoli, Barbary, Morocco	—	1,363	1,363	
West Coast of Africa, &c.	3,884	1,661	—	} East-India Company's monopoly.
Cape of Good Hope	4,106	—	—	
Cape Verde Islands	82	1,416	1,334	
South America	—	7,185	7,185	
Mauritius	332	—	—	Open trade.
East-India Company's Territories and Ceylon	17,294	—	—	Americans have sometimes exported teas from these.
China	476	629	153	Ships' stores.
Sumatra and Indian Islands	30	1,250	1,220	
Philippine Islands	—	—	—	
New South Wales and Van Dieman's Land	4,787	—	—	
New Zealand, &c.	494	—	—	
British North American Colonies	92,178	1,050	—	} East-India Company's monopoly.
British West-Indies	38,319	700	—	
North-West Coast	—	1,067	1,067	
Cuba and Foreign West-Indies	—	100,505	100,505	
United States	—	—	—	
Mexico	80	10,377	10,297	
Guatemala and Honduras	—	1,445	1,445	
Columbia	160	2,763	2,603	
Brazil	187	60,614	60,427	
Rio de la Plata	—	7,086	7,086	
Chili	305	15,351	15,046	
Peru	—	458	458	
Isles of Guernsey, &c.	67,368	—	—	
	255,083	1,626,417	1,371,334	

Note.—" A General Statement of the Imports and Exports of the principal Articles of Merchandize between the United Kingdom and the several Foreign Countries and British Possessions abroad ;" Ordered, by The House of Commons, to be printed, February 1829. " Exports and Imports of the United States, for the Year 1827 ;" Printed by order of the Senate, 1828.

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No. 9.—COMPARATIVE STATEMENT of the Total Importations and Re-exportations for the United Kingdom, of the following Articles of Chinese and Indian Produce, for the Six Years ending 5th January 1829.—(*See* "East-India Trade," Ordered by the House of Commons to be printed, from 1824 to 1829.)

—	Importations.	Re-exportations.	Proportions of Re-exportations to Importations.		REMARKS.
Tea ...... *lbs.*	192,339,840	2,369,703	as 1¼	in 100	The first three articles after tea are exclusively productions of China, and of these it appears that *three-fourths* of the imports have been re-exported. Of coffee *three-fourths* of the imports have also been re-exported. Of sugar *one-third*, and of the three last-named articles full *one-half*. Of tea the re-exportations have consisted of little more than one per cent., and this small fraction has consisted either of ships' stores or exports to colonies where the East-India Company enjoys a monopoly.
Camphor	1,230,754	791,529	64	100	
Cassia	2,888,144	2,230,066	77	100	
Rhubarb	399,495	310,463	77	100	
Coffee	32,717,840	24,936,527	76	100	
Sugar ....*cwts.*	1,610,541	554,680	34	100	
Cotton wool, *lbs.*	126,445,370	61,492,222	48	100	
Indigo	39,957,624	20,381,264	51	100	
Pepper	47,302,767	25,127,715	53	100	

No. 10.—SPECIFIC DUTIES on Teas in the United States, France, and the Netherlands, with the *ad valorem* Duty, reckoned on the average price of Teas at New York, for the ten years ending with 1829.

TEAS.	UNITED STATES.			FRANCE.		NETHERLANDS.		REMARKS.
	Price per lb.	Duty per lb.	Ad valorem.	Duty per lb.	Ad valorem.	Duty per lb.	Ad valorem.	
	s. d.	*s. d.*		*d.*		*d.*		
Bohea	0 9·59	0 6·21	64	7·25	75	1·27	13	In reducing the foreign money to sterling, the American dollar is taken at 4*s*. 3*d*·79, the franc at 9*d*·69, and the florin at 20*d*.½. The French and Dutch pound, or half kilogramme is taken at 7,717 grains avoirdupois.
Congo	0 8·44	1 0·93	153	7·25	85	1·27	15	
Souchong ...	1 5·69	1 0·93	73	7·25	40	2·19	12	
Hyson Skin..	1 6·80	1 2·49	77	7·25	38	2·19	11	
Young Hyson	2 3·83	1 8·70	74	7·25	26	2·19	7	
Hyson	2 8·18	1 8·70	64	7·25	22	2·19	6	
Gunpowder ..	3 4·64	2 1·87	63	7·25	17	2·19	5	
Imperial	3 3·74	2 1·87	65	7·25	18	2·19	5½	

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No. 11.—COMPARATIVE STATEMENT of the Consumption of Great Britain, the United States of America, and France, in COFFEE, for the Eleven Years ending with 1828.

YEARS.	Great Britain.	United States.	France.	NOTE.
	lbs.	*lbs.*	*lbs.*	
1818	7,967,857	19,199,403	14,951,684	For the consumption of Great Britain, see "Customs and Excise Duties," ordered by the House of Commons to be printed 19th June 1829. For that of the United States, "Reports of the Secretary of the Treasury to Congress;" and for that of France, "Tableau Général du Commerce de la France avec ses Colonies et les Puissances étrangères."
1819	7,429,352	20,825,869	14,583,707	
1820	6,896,286	13,291,875	17,868,991	
1821	7,327,283	15,965,237	16,085,775	
1822	7,404,204	14,282,982	20,127,465	
1823	8,209,245	18,603,330	18,059,734	
1824	7,993,040	20,368,450	22,604,456	
1825	10,766,112	22,357,721	16,451,410	
1826	12,724,139	26,449,356	17,589,800	
1827	14,974,378	31,895,217	22,060,713	
1828	16,522,423	37,258,879	20,521,883	
Averages of first five years	7,404,996	16,713,073	16,723,524	
Ditto of last six years	11,864,889	26,155,492	19,547,982	
Increase	60 per cent.	56 per cent.	16 per cent.	

No. 12.—SPECIFIC DUTIES on COFFEE in the United States, France, the Netherlands, and Great Britain, with the Ad Valorem Duty, calculated on the Bond Price at New York in 1829.

COFFEE.	United States.			France.		Netherlands.		Great Britain. Present Duty.		Great Britain. Duty of 1819.	
	Price per lb.	Duty per lb.	Ad Valorem.	Duty per lb.	Ad Valorem.	Duty per lb.	Ad Valorem.	Per lb.	Ad Valorem.	Per lb.	Ad Valorem.
	d	*d.*		*d.*		*d.*		*d.*		*s. d.*	
Cuba	3·62	2·58	71	4·59	126	·36	9				
Brazil	4·14	2·58	62	4·59	110	·36	8				
Porto Rico	4·65	2·58	55	4·59	98	·36	7				
La Guira	3·62	2·58	71	4·59	126	·36	9				
St. Domingo	4·14	2·58	62	4·59	110	·36	8				
Java	5·43	2·58	47	4·59	84	·36	6	9	165	1 6	331
Jamaica	4·65	2·58	55	4·59	98	·36	7	6	129	1 0	258

Note.—In reducing the foreign money to sterling, the American dollar is taken at 4*s.* 3*d.* $\frac{79}{100}$, the franc at 9*d.* $\frac{69}{100}$, and the florin at 20*d.* $\frac{1}{8}$. The French and Dutch pound, or half kilogramme, is taken at 7,717 grains avoirdupois.

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No. 13.—COMPARATIVE STATEMENT of the Consumption per head of Tea and Coffee in Great Britain, France, and the United States of America, taken on the average of the Four Years ending with 1827, on an Estimate of a Population of 17 millions for Great Britain, of 32 millions for France, and of 12 millions for the United States of America.

	TEA.			COFFEE.		
	lbs.	*oz.*	*dwts.*	*lbs.*	*oz.*	*dwts.*
Great Britain	1	7	8	0	10	14
France		—		0	9	13
United States	0	9	4	2	1	11

Note.—" Customs and Excise Duties," Ordered by the House of Commons to be printed, 19th June 1829. " Letters of Secretary of the Treasury," printed by order of Congress. " Tableau Général du Commerce de la France avec ses Colonies et les Puissances étrangères." There are no data for the consumption of tea in France for the years given in the Statement, but the average consumption for the four years ending with 1828, was but 252,430lbs.

No. 14.—COMPARATIVE STATEMENT of the Duty on Tea and on British Plantation Coffee at different periods from 1789; the specific Duty upon the latter article being converted into an *ad valorem*, from the average Sale Prices of the Commodity in Bond.

YEARS.	Duty on Tea.	Duty on Coffee.	Duty on Coffee, higher than that on Tea, by
1789	12½ per cent.	103 per cent.	90½ per cent.
1795	20 —	146 —	126 —
1806	96 —	139 —	43 —
1819	100 —	149 —	49 —
1829	100 —	121 —	21 —

Note.—" Customs and Excise Duties," Ordered by the House of Commons to be printed, June 1829.—" Tooke, on High and Low Prices." " London New Price Current," November 20th, 1829.

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No. 15. (A.)—AVERAGE Prices of American Teas, exclusive of Duties, for Ten Years, from 1820 to 1829 inclusive, taken from New York Price Currents; the American Money reduced to Sterling, at the rate of 4*s.* 3$\frac{3}{4}$*d.* per dollar.

TEAS.	YEARS.																				Average of each Sort.		Duty per lb.		Ad Valorem Duty.
	1820: July.		1821: July.		1822: August.		1823: August.		1824: July.		1825: July.		1826: June.		1827: June.		1828: July.		1829: July.						
	s.	*d.*	*s.*	*d.*	*s.*	*d.*	*s.*	*d.*	*s.*	*d.*	*s.*	*d.*	*s.*	*d.*	*s.*	*d.*	*s.*	*d.*	*s.*	*d.*	*s.*	*d.*	*s.*	*d.*	per cent.
Imperial	3	4$\frac{10}{100}$	3	0$\frac{74}{100}$	3	2$\frac{81}{100}$	3	4$\frac{10}{100}$	3	5$\frac{40}{100}$	3	10$\frac{57}{100}$	3	4$\frac{10}{100}$	3	5$\frac{40}{100}$	2	9$\frac{63}{100}$	3	2$\frac{55}{100}$	3	3$\frac{74}{100}$	2	1$\frac{87}{100}$	65
Gunpowder ..	3	6·69	3	0·74	3	6·69	3	6·69	3	5·40	3	10·57	3	4·10	3	5·40	2	9·63	3	2·55	3	4·64	2	1·87	63·6
Hyson	2	6·01	2	5·49	2	6·27	2	6	2	10·15	3	1·26	2	7·05	3	0·22	2	8·34	2	7·05	2	8·18	1	8·70	64·3
Young Hyson.	1	11·28	1	9·99	1	10·51	2	7·30	2	8·73	2	8·60	2	3·94	2	7·05	2	3·16	2	3·81	2	3·83	1	8·70	74·3
Hyson Skin ..	1	2·74	1	2·74	1	2·49	1	7·14	2	2·91	2	1·61	1	7·14	1	7·14	1	5·59	1	4·56	1	6·80	1	2·49	77
Souchong	1	1·97	1	1·45	1	3	1	4·56	1	7·40	1	7·40	1	6·11	1	11·02	1	6·63	1	7·40	1	5·69	1	0·93	73
Congou	0	7·76	0	7·76	0	7·76	0	7·76	0	8·79	0	10·86		—		—		—		—	0	8·44	1	0·93	153
Bohea	0	11·64	0	10·60	0	11·12	0	7·50	0	10·60	0	9·31	0	8·28	0	8·79	0	8·28	0	9·83	0	9·59	0	6·21	64
Average of all teas for each Year......	1	11·02	1	9·43	1	9·33	2	0·38	2	2·92	2	4·52	2	2·38	2	4·71	2	0·46	2	1·96	2	0·36	1	5·46	79$\frac{14}{100}$

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No. 15 (B).—COMPARATIVE STATEMENT of the Prices of the East-India Company's and American TEAS, reckoned upon the Quantity sold at the East-India Company's Sales, for the Ten Years ending with 1828-9. See New York Price-Currents, Paper No. 15; and No. 41 of "Papers relating to the Finances of India, and the Trade with India and China." February 1830.

YEARS.	Quantities.	E. I. Company's Sale Price.	American Sale Price.	Excess of Company's Price.
	lbs.	£.	£.	£.
1819-20	25,960,287	3,584,986	1,543,888	2,041,098
1820-21	26,095,234	3,626,193	1,486,849	2,139,344
1821-22	28,024,362	3,987,286	1,759,548	2,227,738
1822-23	27,599,886	3,899,416	1,881,607	2,017,809
1823-24	27,632,044	3,903,594	2,234,016	1,669,578
1824-25	28,467,160	4,010,051	2,295,296	1,714,755
1825-26	29,433,211	3,977,802	2,161,101	1,816,701
1826-27	29,279,613	3,702,839	2,695,974	1,006,865
1827-28	29,687,856	3,516,720	2,199,264	1,317,456
1828-29	30,102,217	3,497,345	2,329,397	1,167,948
Totals	282,281,870	37,706,232	20,586,940	17,119,292
Average ..	28,228,187	3,770,623	2,058,694	1,711,929

Note.—The kinds of tea respectively consumed by ourselves and by the Americans differ so much, that it would not be possible to institute a comparison, in all respects accurate, between them. In the Canton price-currents the teas called Congo, Campoi, and Twankay, are invariably quoted at the same prices, and on an average are seven per cent. under the price of Souchong. The teas thus named form the bulk of our consumption; and to meet any objection as to quality between the Company's teas and those of the Americans, I have considered all the teas in question as of equal value with the American Souchong. The diminution in the excess of the Company's prices beyond those of the Americans in the latter years of the statement, arises from two circumstances,—a rise in the price, and probably in the quality of the American Souchong tea, upon a comparison with which the great bulk of the Company's teas is reckoned; and a fall in price in the Company's teas, without a corresponding increase of consumption.

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No. 16.—COMPARATIVE STATEMENT of the Price of the East-India Company's and Dutch Teas for the Year 1828-9. See No. 41 of "Papers relating to the Finances of India, and the Trade with India and China, February 1830." Printed Statement of a Public Sale of Tea at Amsterdam, 15th July 1829; and Canton Price Current of 3d November 1828.

N.B.—The florin reduced to sterling money at $20\frac{1}{3}d.$, and the tale in the prime cost at 6*s.*

TEAS.	Quantities.	Prime Cost in China.		East-India Company's Sale Price.			Sale Price in Netherlands.			Excess of Company's Price.	
		Per lb.	Total.	Per lb.	Total.	Advance on Prime Cost per Cent.	Per lb.	Total.	Per Cent on Prime Cost.	Per Cent.	Total.
	lbs.	*s.* *d.*	£.	*s.* *d.*	£.		*s.* *d.*	£.			£.
Bohea	3,778,012	0 7·83	123,257	1 6·65	293,583	138	0 9·67	152,316	23	92	141,267
Congou	20,142,873	1 2·04	1,178,358	2 3·88	2,339,930	98	1 6·02	1,512,645	28	54	827,285
Campoi	248,187	1 2·04	14,518	2 9·14	34,270	136	1 5·31	17,900	23	91	16,370
Souchong	601,739	1 3·12	37,909	2 10·38	86,199	127	1 2·93	37,435	$1\frac{1}{4}$ dis.	130	48,764
Twankay	4,101,845	1 2·04	239,957	2 5·72	507,945	111	1 7·53	333,821	39	52	174,124
Hyson-skin	213,993	1 2·04	12,518	2 3·84	24,823	98	1 3·47	13,796	10	79	11,027
Hyson	1,014,923	2 2·46	111,895	4 1·75	210,385	88	2 10·04	143,971	28	46	66,414
Gunpowder	645	2 4·08	75	6 6·51	210	180	3 10·91	126	68	66	84
Totals....	30,102,217	—	1,718,487	—	3,497,345	—	—	2,212,010	—	—	1,285,335

Note.—The prime costs are reckoned at the average of the quotations in the Canton Price Current. In deducting the duties from the quotations at Amsterdam, those levied on national vessels are assumed. If the higher duties levied on the importations of Tea in foreign vessels had been deducted, the excess of the Company's prices would of course have been greater; and as the Americans still import largely into Holland, this would certainly have afforded the more accurate method of determining the comparative prices of the Dutch Teas and those of the Company.

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No. 17.—COMPARATIVE STATEMENT of the Consumption and Revenue of TEA in Great Britain and the United States of America, for the Eleven Years ending with 1828.

YEARS.	THE UNITED STATES.						GREAT BRITAIN AND IRELAND.						
	Total Consumption.	Total Revenue.	Consumption.		Revenue.		Consumption.			Revenue.			
			Averages of Periods of 4 & 3 Years.	Increase per cent.	Averages of Periods of 4 & 3 Years.	Increase per cent.	Total.	Averages of 4 & 3 Years.	Increase per cent.	Total.	Averages of 4 & 3 Years.	Increase per cent.	Decrease per cent.
	lbs.	£.	lbs.		£.		lbs.	lbs.		£.			
1818	4,842,963	330,223	—		—		25,320,719	—		3,384,272			
1819	5,480,884	374,637	—		—		24,093,619	—		3,276,142			
1820	4,891,447	338,189	—		—		23,666,431	—		3,133,393			
1821	4,603,855	312,207	4,954,787		338,829		24,872,771	24,488,375		3,281,875	3,268,920		
1822	5,430,630	361,440	—		—		25,258,642	—		3,430,144			
1823	6,796,364	454,096	—		—		25,710,892	—		3,850,558			
1824	7,107,677	510,665	—		—		26,023,381	—		3,865,099			
1825	6,557,629	474,113	6,473,075	30	450,078	32	27,177,677	26,042,648	6	4,030,439	3,794,060	16	
1826	8,816,225	652,511	—		—		27,250,769	—		3,738,057			
1827	5,372,956	388,308	—		—		27,841,284	—		3,705,859			
1828	6,803,667	498,905	6,997,616	6	513,241	14	27,975,385	27,689,146	6	3,448,814	3,630,910		4

On a comparison of the last period in the Statement with the first, the American consumption had increased by 41 per cent. and the Revenue by 51 per cent. The British consumption had increased by 13 per cent. and the Revenue by 11 per cent.

Note.—Letters from the Secretary of the Treasury, transmitting the Annual Reports, &c. &c. "East-India Trade," ordered by the House of Commons to be printed. Finance Accounts of the United Kingdom, &c. &c.

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No. 18.—ACCOUNT of the Purchase and Sale of the East-India Company's Investments of Tea for Four Years.

Dr.		£.
1819-20. 1820-21. 1821-22. 1822-23.	To prime cost of 110,247,443 lbs. of tea, purchased at Canton in the seasons 1819-20 to 1822-23, both inclusive	7,551,331
	— salaries and table expenses of the factory	363,433
	— other charges in China..............	223,363
	— charges in England	917,044
	— freight and demurrage	2,112,067
	— interest	934,237
	— insurance	233,546
	— loss sustained by the Company on the occasion of the fire at Canton 1822....	380,133
		12,715,154
	Balance in Company's favour	2,641,229
		£15,356,383

	Cr. £.
By sale of 104,084,203 lbs. of tea in the years 1821-22 to 1824-25, inclusive ..	14,645,559
— proportion of costs and charges upon 6,163,240 lbs. of tea, being the excess of the purchases above the sales	710,824
Sale price per lb. 2*s.* 9*d.* $\frac{77}{100}$	£15,356,383
The average sale price on the four years as given in No. 42 of Papers relating to the Finances of India, &c. is 2*s.* 10*d.*·09, a difference of $\frac{32}{100}$ of a penny.	
By Balance in favour of the Company, £2,641,229.	

Note.—The documents from which the account is drawn are the following: "Accounts relating to the Tea Trade," ordered by the House of Commons to be printed, 14th May 1824, Nos. 2, 4, and 6. "Papers relative to the Trade between India and China," 4th June 1829, Nos. 16, 17, 31, 32 and 33.

According to this account, the annual profit of the Company on tea down to 1824-5 was £660,307, from which would have to be disbursed the interest on the bond-debt, and the dividends on stock, which on the four years from 1821-2 to 1824-5 amounted, per annum, to £777,550, (Papers relating to the Finances of India, &c. No. 21, February 1830) leaving, therefore, a deficiency of £117,243. The only defective item in the account is the freight, which is evidently under-rated; because from the whole amount of it, given in the Parliamentary documents (Papers relating to the Trade with India and China, June 1829, Nos. 16, 17, and 31,) the proportion deducted from the tonnage returning from India with cargoes is taken at the same rate as the tonnage returning from China. Now nearly the whole tonnage employed in conveying tea to England consists of large ships, at the highest rates of freight, and especially includes the Company's

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own ships, the most expensive of any; whereas in the Indian tonnage a number of vessels taken up at low rates of freight are comprehended. For example, the East-India Company, within the period included in the account, received tenders for between 24,000 and 25,000 tons of shipping, and took up what they wanted at £8. 4*s*. 8*d*. per ton. (Minutes of Evidence before the Committee of Lords on the Trade with India and China, 1820 and 1821, page 158,) while they were paying on the average of their ships from China, exclusive of demurrage £21. 11*s*. 1*d*. (an Account of the Rate of Freight per ton paid by the East-India Company from China on the average of the whole tonnage of the years 1822 and 1823—East-India House, 26th April 1824.) Were the necessary deduction made on this account, the profits on the tea-trade would certainly not be adequate to the payment of the dividends on the capital stock alone, which, on the average of the four years referred to, amounted to £629,539 per annum. It is obvious that the payment of the dividends and of the interest of the bond-debt must fall exclusively on the profits of the tea, because there are no other commercial profits, a fact which can be explained in a very few words. The Company's exports from China, besides tea, were always trifling in amount, and the profit, if any, of course trifling also. Of late years they have ceased altogether. With respect to the imports into that country from this, the Company themselves showed, and at the very period to which the account refers, that there was not only no profit, but a loss, which, on an average of six-and-twenty years, amounted to £1,668,103 (Minutes of Evidence on India and China Trade, Lords' Committee, page 118). Neither, it may fairly be supposed, is the India Trade carried on in a profitable manner. We have the Company's own testimony to this effect, down to nearly the close of the last charter, when their accounts exhibited a loss of £355,845 per annum (Papers relating to East-India Affairs, East-India House, 8th April 1810). Nor is it reasonable to conclude that now, with more numerous and active competitors, and a greatly diminished trade, that this branch of commerce can be attended with a profit, however trifling.

No. 19.—Comparative Statement of the Average Prices of the Company's and Private Trade Teas imported in the Ships Macqueen, George the Fourth, Marquess Huntly, Lord Lowther, Castle Huntly, Marquess Camden, and Orwell, as sold together at the East-India Company's September Sale 1829.

—	East-India Company.		Privilege Tea.		Difference per lb.	Difference per cent.
	s.	*d*.	*s*.	*d*.	*d*.	
Congou	2	2·86	2	3·88	1·02	$3\frac{7}{10}$
Twankay....	2	2·67	2	10·14	7·47	[illegible]
Hyson	3	10·66	3	11·32	0·66	$1\frac{4}{10}$

Note.—" Sale List," by John Nicholson and Co., London.

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No. 20. (A.)—SKETCH, exhibiting a Comparison of the Duties and Revenue on Tea, under the Systems of Monopoly and Free Trade; estimated on the Consumption and Revenue of the Year 1828-9.

TEAS.	Quantity.	East-India Company's Sale Price.	Company's Price, with the Duty.	American Price.	American Price, with same Amount of Duty.	Reduction of Cost, with same Duty to the State.	Present ad valorem Duty.	Actual Duty, as levied on the American Price.	Specific Duty which might be imposed in an open Trade, without increasing Price to Consumer.	Present Revenue.	Revenue which might be raised without augmenting the Cost to the Consumer.
	lbs.	s. d.	s. d.	s. d.	s d.	s. d.	Per Cent.	Per Cent.	s. d.	£.	£.
Bohea	3,778,012	1 6·65	3 0·55	0 9·83	2 3·73	0 8·32	96	182	2 2·72	281,839	420,681
Congou	20,142,873	2 3·88	4 7·76	1 7·40	3 11·28	0 8·48	100	142	3 0·36	2,339,930	3,051,645
Campoi	284,187	2 9·14	5 6·28	1 7·40	4 4·54	1 1·74	100	170	3 10·88	39,241	55,511
Souchong	601,739	2 10·38	5 8·76	1 7·40	4 5·78	1 2·93	100	177	4 1·36	86,199	123,758
Twankay......	4,101,845	2 5·72	4 11·44	1 7·40	4 1·12	0 10·32	100	153	3 4·04	507,945	684,325
Hyson Skin ...	213,993	2 3·84	4 7·68	1 4·56	3 8·40	0 11·28	100	168	3 3·12	24,823	34,881
Hyson	1,014,923	4 1·75	8 3·50	2 7·05	6 8·80	0 6·70	100	160	5 8·45	210,385	289,465
Gunpowder....	645	6 6·51	13 1·02	3 2·55	9 9·06	3 3·96	100	203	9 10·47	210	317
Total	30,138,217	—	—	—	—	—	—	—	—	3,490,572	4,660,583

Augmentation of Revenue...... £1,170,011.

Note.—Papers relating to the Finances of India, and the Trade of India and China, No. 41. American price-currents for the ten years ending with 1829, the Company's Congou, Campoi, Souchong, and Twankay, are reckoned at the same price as American Souchong. In the Canton price-currents, Congou, Campoi, Twankay, and Hyson Skin, are quoted exactly at the same prices. In the American price-currents there is no Pekoe, which is therefore left out of the Statement.

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No. 20. (B.)—SKETCH, exhibiting a Comparison of the Duties and Revenue on Tea, under the Systems of Monopoly and Free Trade; estimated on the Consumption and Revenue of the Year 1828-9.

TEAS.	Quantities sold by East-India Company in 1828-9.	Duty per lb. considered as a specific Impost.	Company's Price without the Duty per lb.	Company's Price with the Duty per lb.	Proposed specific Duty per lb.	Free Trade Price per lb. without Duty.	Free Trade Price per lb. with Duty.	Reduction of Price to Consumer under new Duty, in an open Trade, per lb.	Present Revenue.	Revenue with proposed new Duties.	Increase of Revenue. TOTAL.	Increase of Revenue. Per Cent.
	lbs.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	£.	£.	£.	
Bohea	3,778,012	1 5·90	1 6·65	3 0·55	1 6	0 9·83	2 3·83	0 8·72	281,839	283,350	1,511	
Congou	20,142,873	2 3·88	2 3·88	4 7·76	2 6	1 7·40	4 1·40	0 6·36	2,339,930	2,517,859	177,929	
Campoi	284,187	2 9·14	2 9·14	5 0·28	2 6	1 7·40	4 1·40	1 4·88	39,241	35,523	—	
Souchong	601,739	2 10·38	2 10·38	5 8·76	3 0	1 7·40	4 7·40	1 1·36	86,199	90,260	4,061	
Pekoe	131,281	3 9·23	3 9·23	7 6·46	5 0	5 0	10 0	—	24,740	32,820	8,080	
Twankay......	4,101,845	2 5·72	2 5·72	4 11·44	2 6	1 7·40	4 1·40	0 10·04	507,945	512,730	4,785	
Hyson Skin ...	213,993	2 3·84	2 3·84	4 7·68	2 6	1 4·56	3 10·36	0 9·12	24,823	26,749	1,926	
Hyson	1,014,923	4 1·75	4 1·75	8 3·50	4 0	2 7·05	6 7·05	1 8·45	210,385	202,984	—	
Gunpowder....	645	6 6·51	6 6·51	13 1·02	5 0	3 2·55	8 2·55	4 10·47	210	161	—	
Total	30,269,498	—	—	—	—	—	—	—	3,515,312	3,702,436	187,124	$5\frac{3}{10}$

Note.—Papers relating to the Finances of India, and the Trade of India and China, No. 41. American price-currents for the ten years ending with 1829.

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EXPLANATION of the Statements marked No. 20, (A.) and (B.)

It does not appear from the reports of the merchants at the out-ports that there will be any difficulty in an open trade in tea in levying an *ad valorem* duty upon it; and the example of cotton is quoted in proof. A specific duty would, however, in all probability, be much more convenient; and the example of the United States, which has collected the revenue on this principle for forty years, seems quite conclusive. The rates assumed in the statement marked (B.) are calculated on the basis of the present *ad valorem* duties, and are assumed at a high rate, for the purpose of giving, in the first instance, ample security to the public revenue. There can be little doubt, however, but that a more moderate impost would be more productive. Even in the United States of America the duties are considered by the statesmen of that country as much too high, as may be seen by the following extract from the reports of the Secretary of the Treasury in 1827: "The use of tea has become so general throughout the United States, as to rank almost as a necessary of life. When to this we add that there is no rival production at home to be fostered by lessening the amount of its importation, the duty upon it may safely be regarded as too high. Upon some of the varieties of the article it considerably exceeds 100 per cent., and is believed to be generally above the level which a true policy points out. A moderate reduction of the duty would lead to an increased consumption of the article, to an extent that, in all probability, would in the end benefit rather than injure the revenue. Its tendency would be to enlarge our trade in exports to China; a trade of progressive value, as our cottons and other articles of home production (aside from specie) are more and more entering into it. It would cause more of the trade in teas to centre in our own ports, the present rate of duty driving our tea-ships not unfrequently to seek their markets in Europe, not in the form of re-exportations, but in the direct voyage from China. It would also serve to diminish the risk of the United States ultimately losing any portion of a trade so valuable, through the policy and regulations of other nations."

But even with the high duty which is proposed in Sketch (B), there will be a considerable saving to the public, as may be easily shown. The cost of the 30,269,498 lbs. of tea in 1818-29 to the public was as follows, viz.

Sale price	£3,527,056
Duty	3,515,312
Total	£7,042,368

By the duty proposed in the Sketch, the cost will stand thus:

Sale price	£2,357,047
Duty	3,702,436
Total	£6,059,483

This will produce a saving to the consumer of £982,887, which in all probability will be laid out in an additional purchase of tea; if so, it will add 12,622,360 lbs. to the present consumption, making the whole 42,891,858 lbs. Whether the price fall or rise, the public revenue, with specific duties, is sure to increase. With the augmented consumption now supposed, it would be enhanced to the extent of £1,543,913, or amount in all to £5,246,349. In a word, under the proposed plan, the consumption and revenue of the kingdom in tea would each be augmented by above 40 per cent.

5 April 1830.

John Crawfurd, Esq.

No. 21.—AN ACCOUNT of the Amount of Duties of Customs and Excise received upon certain Goods imported from the East-Indies, together with Mauritius, for the Six Years ending 5th January 1829.

ARTICLES.	1823.	1824.	1825.	1826.	1827.	1828.	Increase or Decrease per Cent. of the three last upon the three first Years.	
							Increase, per Cent.	Decrease, per Cent.
	£.	£.	£.	£.	£.	£.		
Cloves, Mace, &c.	23,324	25,393	19,063	20,266	27,298	26,368	9	—
Coffee	17,677	23,513	22,567	29,400	32,907	36,522	35	—
Sugar...............	190,664	232,495	304,097	415,395	401,970	506,127	70	—
Tea	3,850,558	3,865,099	4,030,439	3,738,057	3,705,359	3,448,814	—	7

Note.—Accounts relating to the Trade between Great Britain and the East-Indies, 1824–1829. Ordered by the House of Commons to be printed. The duties on all the articles, except Tea, have been greatly reduced within the period given in the Statement.

5 April 1830.

John Crawfurd, Esq.

No. 22.—COMPARISON of the Duties on Coffee, Cocoa, Sugar, Spirits, and Tobacco, with those on Tea, calculated *ad valorem* from the Quotations of the London Price-Current of 18th March 1828.

TEA.	Duty per Cent.	COFFEE.	Duty per Cent.	COCOA.	Duty per Cent.	SUGAR.	Duty per Cent.	Foreign and Colonial SPIRITS.	Duty per Cent.	TOBACCO.	Duty per Cent.
Bohea	96	Jamaica triage....	224	West India, com. .	200	Jamaica, fine	60	Brandy, cognac,		Maryland, fine scrub	758
Congo kind, &c..	96	Do. middling ..	87	Do. superior ..	140	Do. middling ..	71	1st brandy,	658	Do. brown	1,028
Congo, common..	100	Do. fine	71	Grenada, ordinary	186	Do. ordin. brown	87	26-27		Do. fine yellow ..	343
Congo, fine......	100	Dominica, ordinary	124	Do. superior ..	140	Demerara, fine ..	67	Second ditto	794	Virginia, fine black..	800
Pekoe kind	100	Do. middling..	86	Do. fine red ..	101	Do. middling ..	75	Superior ditto....	750	Do stripped ordin.	1,309
Do. Campoi do.	100	Do. fine	71	Do. superior ..	86	Do. brown	90	Bordeaux	900	Kentucky, fine	900
Campoi, good....	100	Berbice triage....	119	Berbice	186	Havannah, fine ..	131	Hollands Geneva..	843	Do. ordinary	1,600
Souchong	100	Do. middling..	87	Do. superior ..	133	Do. middling ..	143	12 *a* 19 per cent.	268	St. Domingo	533
Twankay, common	100	Do. fine	72	Saint Lucia......	186	Do. brown	203	Rum, Jamaica		Havannah	370
Do. good	100	St. Domingo	378	Do. superior ..	109	Rio, brown......	233	Do. 20 *a* 22 ..	248	Segars, common ..	112
Do. fine	100	La Guayra	368	Trinidad	186	Do. white	170	Do. 23 *a* 27 ..	226	Do. superior	64
Hyson kind......	100	Havannah	358	Do. superior ..	109	Bahia, brown	225	Do. 28 *a* 34 ..	217	East-India	1,800
Hyson Skin......	100	Porto Rico	368	Caracca	197	Do. white	180	Do. superior ..	212	Do. inferior......	2,057
Do. good......	100	Brazil	368	Do. superior ..	166	Mauritius	81	Do. extra fine ..	192	Virginia midd. black	960
Hyson, common..	100	Batavia	311	Brazil	583	Do. low brown .	112	Do. Leeward	408	Kentucky middling..	1,200
Do. good......	100	Chiribon	320	Do. superior ..	500	Bengal, fine white	102	Island, proofs		Porto Rico	
Do. fine	100	Sumatra	350	Guayaquil	560	Do. midd. white	108	Do. over proofs	364	Varinas	
Young Hyson....	100	Ceylon...... ...	262	Do. superior ..	500	Do. low white ..	115	Demerara, 23 *a* 35	242	Brazil	
Gunpowder......	100	Mocha..........	103	Saint Domingo ..	—	China and Siam ..	188			Ukraine	

J. L. Cox, Printer, Great Queen Street,
Lincoln's-Inn Fields.

FIFTH REPORT.

THE SELECT COMMITTEE appointed to inquire into the Present State of the AFFAIRS OF THE EAST-INDIA COMPANY, and into the TRADE between *Great Britain*, the *East-Indies*, and *China;* and to report their Observations thereupon to the House; and who were empowered to report the MINUTES OF EVIDENCE taken before them from time to time to the House;—

HAVE made a further Progress in the Matters to them referred, and examined several other Witnesses; the MINUTES of whose EVIDENCE they have agreed to report to the House up to the 13th day of this instant May, inclusive.

13*th May* 1830.

MINUTES OF EVIDENCE.

Lunæ, 29° *die Aprilis* 1830.

WILLIAM WARD, Esq. in the Chair.

JAMES COSMO MELVILL, Esq., Auditor of the East-India Company's Accounts, again called in, and examined.

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J. C. Melvill, Esq.

4295. You are the Auditor of the East-India Company?—I am.

4296. In your situation of Auditor, have you been led to consider the mode pursued by the Company in computing the upset price of their teas?—The computation of the upset price of tea forms no part of the official duty of my department; but it devolves upon me to prepare periodically financial views of the territorial branch of the Company's affairs; and in the performance of that duty, I find it important and necessary, as far as practicable, to make myself acquainted with all the Company's arrangements of a financial nature, commercial as well as political; I will therefore endeavour to answer any questions which the Committee may be pleased to put respecting the upset price of tea.

4297. Will you explain the principle upon which the Company fix the upset price of their teas?—The Act of the 24 Geo. III. c. 38, usually called the Commutation Act, precludes the Company from putting up their tea for sale at any prices which shall, upon the whole of the teas so put up at any one sale, exceed the prime cost thereof, with the freight and charges of importation, together with lawful interest from the time of the arrival of such tea in Great Britain, and the common premium of insurance, as a compensation for the sea risk incurred thereon. The first point that the Company have to consider in carrying that law into effect is, how they are to compute the prime cost of their teas. All the Company's consignments and remittances to China are made entirely with a view

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to, and do in fact terminate in, supplying their treasury at Canton with funds for the provision of tea. The course of proceeding which the Company adopt each season is this: they first take a view of the state of the market, and of the probable demand for tea, and according to that view frame their indent for a quantity of tea to be brought from China sufficient to keep up a year's consumption beforehand, as required by law, and estimate the probable cost of that tea in tales. The next step is to provide the means of paying for the tea. With that view they buy cotton in India for consignment to China, which is paid for in rupees received in reimbursement of sums disbursed in sterling, on account of that portion of the territorial charges of India which is incurred in England. They direct the supercargoes to receive dollars in China in exchange for bills upon India, which are paid in rupees, received in like manner. They purchase British manufactures for consignment to China, which are of course paid for in sterling. A very small portion, about one-sixteenth of the whole, in 1828-9, was provided by bills drawn in China upon the Company in London. The prime cost of the tea brought to England under these arrangements is the sum expended in sterling in providing the tales with which the tea was bought, including freight and charges upon the outward consignments, which are in fact remittances, and upon the homeward investment of tea.

4298. Does it also include the charge of interest?—Interest forms a necessary part of the charges. The Company, as merchants, are entitled to charge interest from the date of expending the money in making the remittances until the period when, if they were free from the restriction of the Commutation Act, they would be in the situation to sell the tea. That Act, however, restrains the Company from selling their tea immediately upon its arrival, by requiring that they should keep a considerable stock on hand; and in order that they may suffer no loss on that account, it is provided that the Company shall add to the prime cost of the tea lawful interest from the time of its arrival in Great Britain. Combining, therefore, ordinary usage, as respects interest being included in the invoice charges, with the parliamentary enactment, the upset price of the tea should include interest from the time of the first expenditure to the time when the sale proceeds of the teas are realized.

4299. You state that interest is charged from the date when the money is expended in providing funds for the purchase of the tea; is that the principle upon which you charge interest?—That is the principle which regulates the Company's charge of interest. The amount of the charge is not minutely ascertained from year to year; but I have taken out the particulars of the year 1828-9, which is that of which the Committee have had a statement of the items of the upset prices, and I have

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ascertained that the Company's charge for interest, although regulated upon the principle which I have explained, falls short of what it would be upon an actual computation.

4300. Will you explain upon what data you go?—The invoice charge of interest upon the outward consignments from England is six months, and I have ascertained that the proceeds of these consignments in the last year, 1828-9, were not realized for ten months upon an average. Again, the charge which the Company make of interest under the Commutation Act is for eighteen months, and I have ascertained that the average period that the tea is in warehouse here is twenty months.

4301. Can you state what proportion of the funds required for the purchase of tea in China is raised by bills in India, or by consignments of merchandize from India?—The whole portion remitted from India amounts to about two-thirds of the whole, including consignments of merchandize from India to China, as well as bills drawn from China upon India.

4302. That proportion which has been raised by being remitted from India being raised in dollars in exchange for rupees, how is the sterling value of the rupees calculated?—At the intrinsic par of the rupee, computing the value of fine silver at the old mint standard of 5*s.* 2*d.* an ounce.

4303. But there is at present no such standard in silver?—I am perfectly aware of that circumstance. The standard in this country being gold, there is no such standard as 5*s.* 2*d.*; nor can there, I apprehend, be any accurate standard for silver but the market-price, in a country where the standard is gold.

4304. What is the market-price of silver at present?—4*s.* 11*d.* an ounce.

4305. The market value appears then to be 3*d.* per ounce less than the amount observed in the Company's calculations, has not there been an over valuation in your computation of the tale to that extent?—If the Committee were to restrict their view to the two or three last years, undoubtedly there would appear to have been an over-valuation of the tale in that respect; but in former years of the present charter the market price of silver considerably exceeded the old mint standard of 5*s.* 2*d.*, and I have ascertained that upon an average of all the years since 1814-15, there is only a fractional difference between the value of the rupee at the market price and at the old standard.

4306. Then, from your statement, it would appear that, on an average of years there has not been any over-valuation of the tale by the system the Company have observed of bringing the rupees into dollars?—That is what I meant to say; and I would beg leave to add, that the Board of Control, acting upon the authority given to them by Parliament, compel the Company to credit the Indian territory with the rupee at more than

12 per cent. above the old standard of 5*s*. 2*d*., which valuation being one to which the Company as advised are bound by law to submit, they would have been perfectly justified in applying to their transactions with China. 29 April 1830. J. C. Melvill, Esq.

4307. That being the case, how do you account for their not having proportionately increased the upset price of tea?—The Company have never acquiesced in the rates of exchange prescribed by the Board, but have persevered up to the present time in earnestly remonstrating against the observance of those rates, and in entreating a revision of them. The China accounts are not legally within the control of the Board; and therefore, although the Company must submit to the loss by this exchange, yet they have been unwilling to give the least sanction to the rates by introducing them into the valuation of the tale in computing the cost of tea, the more especially as, if they had done so, it would have had the effect, which I trust I may be permitted to say the Company always deprecate, of raising the upset price of tea.

4308. Do not the Company adopt a different mode of valuing the tale in their account of profit and loss from that which you have explained with reference to the upset price of tea?—Yes. In their profit and loss accounts they adopt the fixed rate of 6*s*. 8*d*. as a medium rate; and the Committee will see that the Company are compelled to use a different rate in this account, as the effect of the Board's rates must be adjusted in the profit and loss. With respect to this old rate of 6*s*. 8*d*., I find that it was recognized in the year 1781, in a paper appended to the Ninth Report of a Select Committee of the House of Commons on East-India Affairs, being a Report from a Committee of East-India Proprietors, adopted by the General Court, which, with the permission of the Committee, as it explains the view which was then taken of what constituted *prime cost*, I will take the liberty of reading: "With respect to merchandize sent out from England to India, and merchandize returned home from thence, the produce must vary according to the market abroad and at home, and according to the ideal value affixed to foreign currency, but can only affect the Company, or be decided, on the following position; for instance, suppose £100 laid out in broad-cloth in England sells in Bengal for 1,200 current rupees; if on this occasion the exchange be reckoned at 2*s*. per current rupee, the profit is 20 per cent.; if 2*s*. 3*d*., the profit is 35 per cent.; again, if the produce of 1,200 current rupees be laid out in muslins, and these, when brought to England, sell for £150, the produce of the operation, reckoning at 2*s*. the current rupee, will be 1,500 current rupees, or an apparent profit of 25 per cent.; at 2*s*. 3*d*. the current rupee will be 1,333⅓, or an apparent profit of only 13⅓ per cent. But the real profit to the Company in England, by comparison of first costs, will be 50

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per cent., which is the only point that can be established, let the discussion be carried on ever so long, except that the higher the exchange in India the greater the apparent profit there, and the reverse in England; so that, for the purpose of the present calculation, your Committee have adopted the Company's valuation; *viz.* tale 6*s.* 8*d.*" The Committee will observe, that this latter principle of comparing first costs is that which the Company now adopt. The paper which I have read was before Parliament a short time previously to the passing of the Commutation Act; the clause in which affecting the question of prime cost was proposed by the Company in the very terms in which it is enacted.

4309. Can you state to the Committee what has been the average cost of the tale to the Company since 1814, upon the principle which you have been explaining?—The average cost of the tale to the Company since 1814-15, upon the principle which I have explained, has been 6*s.* 7·502*d.*

4310. What has been the average rate per tale since 1814 at which bills have been drawn upon the Company in England from Canton?—The average rate per tale at which the Company have been drawn upon from Canton since 1814-15 is 6*s.* 8·77*d.* The Committee will see that if that principle had been observed, the charge of interest in the computation would be for twelve months less than that included in the Company's calculation, because bills of exchange would comprise the interest for that period; but, on the other hand, the Company's calculation includes charges that would be incurred if supplies were obtained by bills. Adjusting both sides of the calculation, I find that the rate at which the tale would have been computed in the upset price of tea, if the bill of exchange rate had been the principle of computation, would have been 6*s.* 8*d.* 949 decimals.

4311. Do you not consider that it is the ordinary usage to value the coin of a foreign country expended in the purchase of consignments to England in sterling at the current rate of exchange?—I am perfectly aware that such is the usual practice; the principle, indeed, seems quite clear. In ordinary cases it very frequently happens that the cargo abroad is purchased with funds raised by bills of exchange, and the cost of those goods in sterling would, in such a case, be the sterling amount of the bills; but the adoption of any such system by the Company in their present circumstances, even were it practicable, would defeat the financial provisions of the Legislature in respect of India. If the Company were to buy their teas by means of bills upon themselves, they would have to pay those bills out of the proceeds of the teas, and then there would not be funds for the territorial charges of India.

4312. Will you explain to the Committee what is the nature

and the amount of those territorial charges?—They comprise the reimbursement to the public of that portion of the expenditure of Great Britain which is incurred in respect of His Majesty's troops serving in India. They also embrace the furlough and retired allowances of officers in the Company's army, the cost of territorial stores sent to India, political freight and demurrage, and also a portion of the interest of the Indian debt. The aggregate of those several charges may be stated to amount, upon the average, to £3,000,000 per annum, which is remitted by the Company principally through their India and China trade; and the Indian territory has the important benefit of effecting this remittance at advantageous rates of exchange.

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4313. In what mode does the territory obtain this advantage?—The territory obtains this advantage by remitting the three millions annually at the Board rates of exchange, 2*s.* 3·84*d.* per sicca rupee.

4314. Can you state to the Committee what proportion of the remittance is effected through the China trade?—At present about one million sterling per annum. It has been, and it continues to be, the policy of the Company to increase the remittances through that mode.

4315. At what rate do the Company credit the Indian territory with the sums so remitted?—At 2*s.* 3·84*d.* the sicca rupee.

4316. Instead of 1*s.*11*d.*, for the reasons you have stated?—1*s.* 11*d.* is, I believe, the market rate now.

4317. Can you state to the Committee what is the present rate of exchange in India for bills upon England?—The last quotation I have seen is 1*s.* 11*d.* per sicca rupee.

4318. You have stated that this remittance is at 2*s.* 3*d.* instead of 1*s.*11*d.* Is that 2*s.*3*d.* put upon the tea in computing the upset price?—No; the computation of that part of the remittance from India, which affects the upset price of tea, is made, as I have already explained, at the old mint standard of 5*s.* 2*d.*, which values the rupee at about 2*s.* 0½*d.*

4319. Still would it not appear, according to the computation of the rupee being valued at 2*s.* 0½*d.*, whilst in Bengal the exchange is 1*s.*11*d.*, that it is taken at 1½*d.* beyond the real worth in Bengal of the rupee?—But the Company, for the reasons I have already given, cannot extend their drafts upon themselves from Bengal without defeating the Act of Parliament in respect of the Indian charges, and the cost of the Company placing their rupees in Bengal under the system prescribed by the Act much more than accounts for that difference.

4320. Can you state to the Committee at what rate, upon the average, since 1814, the Company have placed the tale in China by means of bills upon India?—5*s.* 10·04*d.*

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4321. Can you also state at what rate by consignments of merchandize from India?—6s. 7·36d.

4322. It would then appear that the consignments of merchandize have been a much less profitable mode of remittance than that of bills; how do you account for the Company having continued to adopt that mode?—The rate I have mentioned for merchandize of 6s. 7·36d. includes freight, which, had the funds been raised by bills, must have been charged upon the tea; omitting freight, the cost of the tale by consignments of merchandize from India to China is reduced to 5s. 7·76d.

4323. Then you mean to state that the upset price has been rather kept down than otherwise by the practice of the Company in sending merchandize from India to China?—Clearly so; and encouragement has at the same time been given by the Company to the trade in an important article of Indian produce.

4324. Can you state at what rate the tale has been placed in China by consignments of British manufactures?—At 7s. 0·49d.

4325. You take the average since 1814?—Since 1814; the rate would be lower if we took an average for a smaller period of years.

4326. Then you are of opinion that the most disadvantageous mode which the Company can adopt of providing funds for the purchase of teas is by sending British manufactures?—I think that must be admitted.

4327. That being the case, can you explain why the Company have continued to adopt that mode, that being so disadvantageous?—The Committee must of course be aware that the Company have always from policy been desirous of exporting the produce and manufactures of Great Britain to places to which they have an exclusive privilege of trading, and I believe I may say that the Company have felt themselves under something of a moral obligation to do so. This policy has at different times been not only sanctioned but enjoined in the charters granted to the Company and in legislative enactments. At the period of the last renewal of the charter, the trade with India being then opened, of course the Company ceased to feel it *obligatory* upon them then to send British manufactures to India, although they determined not to cease doing so until it should become absolutely necessary. But as they had the exclusive privilege of trading to China, they felt the force of the old obligation still binding upon them, as relating to exports to that country; and it was well understood between the King's ministers in 1813, and the representatives of the Company, that these exports to China were to be continued. I may add, that when in 1826 the Company found it necessary, from the state of the trade, materially to restrict exports of British manufactures to India, Mr. Williams Wynn, then President of the Indian

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Board, remonstrated against that determination; and as that related to exports to India, I think the Company were entitled to conclude that the remonstrance would have been much more decided if it had had reference to exports to China. But independently of the policy which has actuated these exports of British produce and manufactures, it by no means appears to me that the tale has been valued more highly than it would have been if all the funds for buying tea had been provided in either of the other modes; for I cannot imagine that the Company could have materially increased their supplies of cotton to India, or their demand upon the Canton market for money in exchange for bills, without immediately either lessening the value of the cotton in China, or raising the exchange for the bills. I would further state, that in a concern of so much magnitude and importance as that of the Company's in China, it is necessary that they should be secure against the possible failure of funds there, which might be the consequence of their having recourse to only one method of remittance. The Company act upon a system; and I would submit that one good test by which that system might be tried would be, whether the valuation of the tale, by all the combined methods which the Company have pursued, is or is not as good for the public as if the Company had supplied their treasury by consignments of bullion.

4328. Are you able to state to the Committee what, upon the average since 1814, would have been the cost of the tale, if the consignments had been entirely in bullion?—6*s.* 6·278*d.*, which, by the addition of the charges now included in the valuation of the tale produced by consignments of merchandize to China, would be increased to 6*s.* 10·490*d.*, which is 2·988*d.* in excess of the cost at which, by the Company's combined operations, the tale has been placed in China.

4329. Can you explain upon what grounds you make this valuation which you have just given to the Committee?—I take the average market price of dollar silver in London in each year since 1814-15; I add nine months' interest, at the rate borne by the Company's bond debt in England, insurance at the market rate, and one per cent. for brokerage, shipping expenses, and freight.

4330. What is the amount of the insurance?—It has varied; it was four per cent. in the early years; and that which the Company now adopt is three per cent.

4331. Do you take that calculation from facts?—From the rate of sea insurance adjudged every year by the mercantile committee at the India House.

4332. Is that upon bullion?—The Company not being in the habit of exporting bullion, the Committee do not fix a separate

29 April 1830. rate for bullion. I have taken the rate for merchandize. The rate for bullion is, I believe, less; but the difference will not affect the principle of the calculation I have now submitted. It would make a small alteration in the degree.

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4333. It has been stated in evidence to the Committee that a very large sum, amounting to two millions sterling, might be obtained in exchange for bills upon England. Do you think, to that extent, it would be possible so to obtain money in exchange upon England?—Any opinion I can give upon that point must be formed from a perusal of the official despatches of the Company's Select Committee in China; and from what they have at different times reported of the state of the money market at Canton, I must be permitted to entertain very great doubts whether so large a sum as two millions sterling could be raised by bills upon England in any one year, and I am quite convinced that it could not be done consecutively from year to year; were it otherwise, the rate of exchange would be so enhanced by the demand as to make the tale much more expensive than under the present system. Besides, if the Company were known to depend on that mode of supply, they would be at the mercy of a few merchants at Canton, who would have it in their power to combine and dictate the rate of exchange, which inconvenience is not merely speculative; it is one which the Company's servants in China have sometimes mentioned in reference to their limited demands for money in exchange for bills. I would again remind the Committee, that the Company cannot grant the bills, or rather if they were to grant them the law would be defeated.

4334. Will you explain in what manner the law would be defeated?—I refer especially to the 56th section of the Act of the 53d, which enacts, that a sum equal to the actual payments made from the commercial funds at home, on account of territorial charges in the year preceding, shall in each and every year be issued in India for the purpose of the said Company's China or India investment. The Company must pay the demands upon them on account of the Indian territory, and they could not pay those demands if they drew those bills.

4335. Do you think it would be imprudent to risk the non-provision of funds at Canton, which would be the case if the exchange at Canton was exclusively relied on?—I do.

4336. Are you aware that the Canton price-current states the rate for bills upon England?—There is such a quotation in the Canton price-current, but I never heard of a corresponding quotation in the London price-current. It appears to me that bills are generally created by exports of produce; and in this case the Company, who are the great exporters from China to Europe, cannot, as I have explained, grant the bills.

4337. Do you mean to say that there is no regular exchange

between China and England?—Bills have certainly been drawn to some extent. The Company draw a small amount. The supercargoes, whose salaries are payable in England, occasionally draw. There must be ship bills; and I have seen it stated in evidence before this Committee, that the Americans have lately raised funds in China in that mode, though, if they continue to do so, instead of importing dollars, the exchange will soon be affected.

4338. Do not you think that the probability would be, that there would be a more regular exchange between England and China, if it were not for the Company's monopoly, and if a free trade existed between this country and China?—I think it must be admitted that if the trade were free, there would be a regular exchange between this country and China, as there is between this country and India. The parties who engaged in that free trade would not be under any obligation to make it a channel of remittance from India, which the Company are compelled to do. If free traders to China were able, through the demand in India for remittance to Europe, to buy their teas with funds obtained more cheaply than the Company now obtain them, all such advantage would be derived at the expense of India, because, unless the connection of this country with India were dissolved, India would still have to transfer that large amount of capital, estimated at £4,000,000 sterling per annum, (three-fourths of which is now brought by the Company at a favourable exchange,) which must be transferred in some way through trade, although it is wholly distinct from commercial returns. It appears to me that this circumstance presents a formidable obstacle to the growth of a profitable export trade from this country either to India or to China, and explains the difficulty (which I see stated in the evidence given to this Committee) of effecting returns for the exports of manufactured goods to India.

4339. You have stated before, that the average amount of remittance from India, charged to be paid in England for stores, half-pay, and so on, amounts to £3,000,000; how do you reconcile that with your statement now, that a remittance of £4,000,000 would be necessary?—£3,000,000 is the government remittance; in addition to that there is an accumulation of private fortunes, and there are the allowances for families in England of persons resident in India, which I estimate at £1,000,000.

4340. On what data do you give that opinion, as to those items amounting on an average to £1,000,000 sterling?—I have no other data than the opinions recorded upon the proceedings of the Court of Directors, by persons who are supposed to be most conversant with Indian subjects.

4341. Are there any recorded opinions at different times on that subject in the proceedings sent from India?—I do not

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remember to have seen any such calculations recorded upon the Indian proceedings. There are some, I think, upon the proceedings of the Court of Directors.

4342. Do you think the rate of exchange in China is or is not a criterion to be depended upon in computing the prime cost of the teas?—It seems to me, that to value the tale upon any such principle, would be to assume, first, that the Company might draw bills, which if they had drawn, would have defeated the operation of the law in respect of the charges of India; and, secondly, that if they had done so, they could have obtained £2,000,000 as cheaply £200,000.

4343. You give that opinion as applied to the existing state of things?—Yes.

4344. Do you conceive that the Legislature, in speaking of prime cost, could not have intended such a mode of computation? —I have great reluctance in presuming to give an opinion upon that point. Independently of my statement, that the clause in the Commutation Act was prepared by the Court of Directors, who, a short time previously to preparing it, had themselves expressed a view of what constituted *prime cost*, accordant with the principle now adopted, and which was before Parliament when the Act was passed, it strikes me that the Legislature, in speaking of prime cost, must have meant a computation founded upon fact, which the rate of exchange would not in this case show. Besides, if the Committee will be pleased to refer to the Acts of the 13 Geo. III. c. 64, 19 Geo. III. c. 61, 20 Geo. III. c. 56, 21 Geo. III. c. 65, they will find that about the time when the Commutation Act was in progress, Parliament was in the habit of controlling and in some cases absolutely prohibiting the Company from accepting bills of exchange. I would also venture to suggest one other point deserving of some attention: if Parliament intended that the calculation of prime cost should invariably be governed by the rate of exchange, they would not have authorized interest from the time of the arrival of the tea in England; because bills being drawn at six months' sight, there would have been in that case a double allowance of interest for the period the bill had to run after the arrival of the tea.

4345. You have stated your opinion that it would be impossible to draw two millions' worth of bills from Canton upon England for consecutive years; does not the amount of bills, which it is possible to draw from one country to another, depend upon the extent of the commercial transactions between those countries?—Undoubtedly.

4346. Then supposing there to be an extension of commerce between England and China, would it be impossible that a larger amount of bills could be drawn from Canton upon England than is now drawn?—The opinion which I have expressed has refer-

ence to the present period and to present circumstances. I am not prepared to say that the trade could be profitably increased; but of course if it could, the means of remittance would be increased.

4347. Then the difficulty of drawing an additional sum by bills from Canton upon England arises partly out of the present state of the law as affecting the commerce between the two countries?—From the present state of the law rendering it obligatory upon the Company to apply the proceeds of their teas to the Indian charges.

4348. In answer to a former question, you stated, that in calculating the prime cost of the tea, you included freight, insurance, and interest on the outward investment; do you also include any mercantile profit on that investment?—I thought I had explained to the Committee, that we took on the one side what we expended in sterling, and on the other side what that expenditure produced to us, and that gives the value of the tale. Of course, if there is a difference forming profit or forming loss, it would come into the computation of the advantage or disadvantage of the several modes of remittance to China.

4349. In taking that expenditure you charge the amount of interest and the amount of freight; do you also credit that account with a certain rate of profit which you think you should make upon the sale?—No, we take the actual result of the transaction.

4350. So that in that case, supposing there is a loss, that loss is charged upon the price of the teas?—It affects the value of the tale.

4351. Are you aware that there is every year a very large export of silver, foreign and native, from China to India, and that this money may be had by the Company for bills on England or India to any extent?—I am aware that there is a considerable export of bullion to India; but I am not aware that money may be had for bills on England or India to any extent.

4352. You mean to say that you have no means of ascertaining whether money may be had by the Company for bills on India or England to any extent?—So far as my recollection serves me, I think that when there has been a large amount of bullion sent from Canton to India, the supercargoes have occasionally felt great difficulty in negotiating bills upon the Court for a considerable sum.

4353. But not bills upon India?—I am not aware that they have felt much difficulty in negociating bills upon India.

4354. In what way has that difficulty arisen; has it arisen in their not obtaining bills at the exchange they have opened the

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treasury at, or have they advertised for tenders of bills and not obtained them?—Having opened the treasury at a fixed rate of exchange, they have, so far as I can remember, been compelled to raise the rate, and after all not succeeded in obtaining so much as they wished.

4355. Did not that arise from their raising the exchange after perhaps the bullion had been sent away?—It probably arose in a great measure from the depressed state of the money market in India, and of the opium trade at Canton. There can be little doubt they might have increased the supply if they had offered extravagant rates.

4356. Can you state at what period that took place, and what was the rate of exchange originally offered, and the rate of exchange to which the Company's factory advanced their bid afterwards, and for what sum it was?—I am not prepared at present with these particulars; but I will obtain them for the information of the Committee.

4357. Are you aware that the Americans have ever met with any difficulty in using their credits on England?—I never heard till lately that they had adopted that method.

4358. Since they have done so have you heard of any difficulty?—I have seen nothing upon that subject but what is recorded in the evidence given to this Committee.

4359. It has been stated in evidence to this Committee, that the public could be supplied with the same quantity of teas as are sold at the Company's sales for the sum of £1,500,000 less than the Company receive; do you agree to that, or can you give any reasons for differing from that calculation?—I trust that in answering that question I may be allowed to premise, that as the calculations upon that subject which have been submitted to this Committee have reference to a trade in tea altogether different from that which the law has prescribed for the conduct of the East-India Company, the result of those calculations must be totally fallacious when viewed as a test of the past management of a public trust; and if the result of the calculations in question be intended as a hypothetical view of the future, it strikes me that it can be of little value, unless it be determined by Parliament that the system under which the Company now administer their combined trust may be dispensed with. Independent, however, of these considerations, it appears to me, upon an examination of the calculations, that one fallacy attends most of them. Mr. Bates,* Mr. Thornley,† and Mr.

* Page 522 ...... Question 3955a.
— 526 ...... ——— 3989a
† Page 421 ...... ——— 3413a.

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Rickards* (in his second statement), take the valuation of the tale according to the rate of exchange at the period of unusual depression; making the tale, according to Mr. Bates (page 522, quest. 3955*a*), 5*s.* $5\frac{20}{72}$*d.*; according to Mr. Thornley (page 421, quest. 3413*a*), 5*s.* $6\frac{2}{3}$*d.*; and according to Mr. Rickards (page 428, quest. 3454*a*), 5*s.* $6\frac{2}{3}$*d.* These rates are all lower than any at which the Company have been drawn upon, and they are also lower than any which I have seen quoted. I hold in my hand the Canton price-current of April 1829 (and which is the latest period to which a rate could be applied to the transactions to which these calculations refer), which quotes the exchange upon London from 4*s.* to 4*s.* 2*d.* the dollar; whilst these gentlemen compute the tale by a supposed *late* rate of exchange, they compute the Company's charge for tea at the prices realized in periods during most of which the exchange value of the tale was infinitely higher. I think the Committee will see that, in order to make a fair comparison, the valuation of the tale, and the price of the tea, should have reference to the same periods. Besides this general objection to all these computations, I find that with respect to that submitted by Mr. Bates, he is mistaken arithmetically. Mr. Bates (page 526, quest. 3989*a*), selects contract congo tea, estimates its price in China at 29 tales per pecul, and states its cost in sterling at $13\frac{1}{3}$*d.* a lb. Now, after making the deduction which Mr. Bates allows and states that he has himself made for wastage, and reckoning the tale at the lowest rate of exchange which has been assumed, viz. 5*s.* $5\frac{20}{72}$*d.* the cost in sterling, instead of being $13\frac{1}{3}$*d.* is $14\frac{1}{3}$*d.*, to which adding 3*d.* per lb. for freight, $7\frac{1}{2}$ per cent. for charges, and 10 per cent. for profit, those being the rates stated by Mr. Bates, the price per pound is 20·03*d.* instead of 18·86*d.* The whole quantity of tea sold by the Company in 1829-30, was 27,455,063 lbs. weight. If that quantity of contract congo, the tea selected by Mr. Bates, were sold at the price assumed by Mr. Bates, as now corrected, it would produce.... £2,291,353

And at the average price realized for such teas at the Company's sales in 1829-30. 3,238,781

The difference being........................ 947,428

Which is, even upon Mr. Bates's data, one-third less than the amount which he has stated is overpaid by the public under the present system. Of this sum of £947,428, £350,280 results from the biddings at the Company's sales beyond the price at which the Company offered to sell the tea; so that the real excess of the Company's charge beyond that assumed by Mr. Bates is reduced to £597,148, whereof one-third is ascribable to the difference in exchange, and most of the remainder to the items of freight and interest, the Company's charges of which

* Page 428 ...... Question 3454*a*.
Second Statement, page 429.

29 April 1830. are necessarily in excess of those which a private merchant would incur, owing to the laws which regulate their shipping, and make it obligatory upon them to have a large stock of tea on hand. Perhaps it is unnecessary for me to trouble the Committee with any similar details respecting the calculations upon this subject by Mr. Thornley and Mr. Rickards, many of the objections just stated being equally applicable to them. Mr. Thornley states the excess of charge to the public for tea to be £1,727,934. This is in 1828-9. Applying the same principles to 1829-30, the excess in that year, according to Mr. Thornley's data, is £1,680,478; but Mr. Thornley assumes the average sale price realized by the Company upon all descriptions of tea at 2*s*. 8·06*d*. per pound, whereas in 1829-30 it was only 2*s*. 2·55*d*. The difference between these two sums on 27,455,063lbs., the quantity sold, is £630,322. So that Mr. Thornley's excess of charge is brought down one-third below his estimate. It will be further observed that Mr. Thornley has made no allowance whatever for interest on the capital employed, or for wastage. Mr. Rickards computes the prime cost for the tea in the coin of China very far below what is taken either by Mr. Bates or Mr. Thornley, and so far below what is actually paid by the Company, that I cannot imagine that the Company could have obtained teas at the prices computed by Mr. Rickards (page 428, quest. 3454*a*) without a deterioration in quality. Mr. Rickards attempts to show the cost to the public under the present system to be much greater than that implied in the computations of either of the other gentlemen; but this arises from Mr. Rickards having included what he conceives to be excess of tea duty paid to the State.

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4360. In examining Mr. Rickards's statement, have you found that he has fallen into the same error as Mr. Thornley, and computed the reduction of 6*d*. in the pound in his estimate? —Mr. Rickards has taken the average for a number of years; but he falls into the same error as Mr. Bates and Mr. Thornley, of taking the rate of exchange in one year, and the prices in another.

4361. Have you seen a price-current of Canton of June 1829, in which the exchange is stated at 3*s*. 11*d*.?—I have seen only the price-current of April 1829, in which it is stated at from 4*s*. to 4*s*. 2*d*.

4362. You have stated that an error runs through the calculation of those gentlemen, inasmuch as they have taken the lowest rate of exchange, applying it to the price for the whole period. Are you not aware that Mr. Bates's calculation is only founded upon one year, during which he states that the average rate of exchange was that which he took?—So far as respects the exchange, but not as respects the prices realized by the Company for the tea.

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4363. Are you aware that Mr. Bates states in his evidence, when he takes the last sale price at 2*s*. 7*d*., "that is the price obtained at the last sale of the East-India Company?"—Yes, but that is not the fact; the average price was 2*s*. 4*d*. 312 decimals, instead of 2*s*. 7*d*. as taken by Mr. Bates.

4364. Will you be good enough to give in a statement of your calculation, by which you make the price of tea in 1829 come out to 14½*d*. instead of 13½*d*.?—My calculation is simply this: a pecul of tea, 133⅓lbs., losing two and a half per cent. by wastage, purchased for 29 tales, each tale being worth 5*s*. 5⁴⁄₈*d*., costs 14½*d*. per lb.

4365. You have said that the average sale price received last year was 2*s*. 4*d*., and in correcting Mr. Thornley's computation you state it at 2*s*. 2*d*.?—Mr. Bates's evidence applies to *congou* tea, Mr. Thornley's applies to *all* descriptions of tea; that accounts for the difference between those two prices.

4366. From Mr. Bates's calculations you have deducted a sum of about £350,000, as excess obtained by the Company in the sale of tea in the price at which they put up their teas; do not you consider that as a profit by the Company?—Undoubtedly it is profit; but my distinction is this, it is not what they demanded, it is the result of a fair competition in a market abundantly supplied.

4367. Will you explain what you mean by a fair competition? —I mean that any one may go and bid for the teas.

4368. That is, according to the supply which the Company put into the market?—I will explain how the Company manage their supply. Previously to making the tea declaration every quarter, they look at the amount of the deliveries during the previous quarter; they look also at the quantities sold in the previous sales, and they always put up at the sale a larger quantity than the average amount of the deliveries at the previous sales of the year, increasing the quantities of those sorts of tea from which there appears to have been the greatest demand; that is also the principle which governs the Company's orders to China for tea. The Committee are also perhaps aware that, as a proof of the market being abundantly supplied, very large quantities have been rejected.

4369. That is to say, left unsold at the upset price?—Exactly.

4370. Are the dollars that arrive here from China so inferior in quality that they are necessarily melted, and sold as silver, being unfit for use as dollars?—I have heard that that is the case, but I have not had an opportunity of ascertaining it officially. I am not aware, within my experience, of the Company's having brought dollars from China to England.

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4371. If that is the case, does not it follow that any person computing the dollar at Canton at 3*s.* 11*d.* should take into his consideration the inferiority of the quality?—Undoubtedly; the value of the dollar in exchange must be affected by the quantity of silver contained in it.

4372. Do you think that the Company might conduct the trade at a lower rate of freight than what appears to be the freight paid for the East-India Company's ships?—The Company take up their ships under the privisions of an Act of the Legislature. I allude to the 39th Geo. III. c. 89, the provisions of which were re-enacted in 1818 in an Act carried through by the late Mr. Canning, when President of the India Board. The Act provides, that the Company in contracting for ships shall make it a condition of the contract that those ships shall be applicable to trade and to warfare. The Act also requires that the Company shall take up the ships for a certain number of voyages; and although that may be an arrangement which, generally speaking, is at least as beneficial to the contractor as to the Company, yet when it happens, as it has done to the Company, that contracts have been entered into in periods of high prices, followed by periods of unusually low prices, it is quite clear that the Company's shipping system must suffer in comparison with that of the private merchant; that is the case at present. The existing contracts for the ships now in the service were most of them entered into six and seven years ago. That the Company can engage ships, if they act solely as merchants, as cheaply as individuals, is evinced in the fact that, when under the authority which that Act gives them, they have taken up ships for only one voyage, they have got them quite as cheap as a merchant could. The difference in the rate of freight between the average period when the Company made the contracts for large ships now in the service and the present time cannot be less than 18 or 20 per cent.

4373. Do you mean to state that if it were not for the contract the East-India Company would freight to India as cheap as a private trader?—If the Company were unfettered by law, and were not compelled to make their ships applicable to political services, I have no doubt that they would engage them upon as good terms as individuals.

4374. When it has happened that there has been a great rise in price instead of a depression, did they make an allowance to the contractors?—That was done by a special Act of Parliament; and I believe the late Mr. Canning, who carried that bill through, took occasion distinctly to guard against its being construed into any thing like a precedent.

4375. In the early part of your evidence you alluded to the assistance rendered to the Indian territory by the China trade,

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are you aware that it has been given in evidence before this Committee, that after paying the interest on the bond-debt, and paying the dividend to the proprietor, that trade has been a loss to the Company instead of a profit?—I have had an opportunity of examining the statements delivered in to this Committee by Mr. Rickards, with a view of showing that the profits of the tea trade have not been sufficient to meet the charge of the interest upon the Company's bond-debt, and the dividends to the proprietors; and I am prepared now to prove to the Committee that Mr. Rickards's statements involve errors and omissions, which, when corrected, leave a credit to the amount of £956,361 for the first of his statements, being that for 1820-21; of £1,127,696 for the second of his statements, being that for 1814-15; of £659,167 for the third of his statements, being that for 1827-8; and of £873,174 for the fourth of his statements, being that of an average of years since 1814-15. These errors are caused by an excessive charge for wastage, by including the India as well as the China freight, by including as charges several items already included in the invoice amount, by considering the interest on the Company's own capital as an actual outgoing, and by considering all the sea insurance as an outgoing; whereas the Company being their own insurers, have themselves, after charging insurance, the profit of that account. If the Committee wish it, I am prepared with those four statements of Mr. Rickards, together with those statements as I have ventured to correct them, and will, if desired, deliver these statements in, one opposed to the other, as a part of my evidence.

[*The witness delivered in the same, which are as follow:*]

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MR. RICKARDS'S FIRST STATEMENT.

PROFIT AND LOSS, CHINA TRADE.

Page 425 .... 3435*a*.

	£.		£.
Cost of teas as per No. 32 of Papers relative to the India and China Trade, 4th June 1829; 28,545,960 lbs. (year 1820-21)...	1,874,840	Sale amount of tea sold in 1821-2, as per No. 33 of Papers of 4th June 1829; 25,492,001 lbs...	3,566,642
Freight and demurrage for the year 1820-21, as per No. 31.............	796,540		
Charges in China and England, as per No. 6 of Accounts relating to Tea Trade, &c. of the East-India Company, 14th May 1824:			
Salaries, emoluments, &c. 1820-21............ £. 95,653			
Expenses in China 54,735			
Do. in England.. 173,520			
Interest........ 236,287			
Insurance...... 58,654	618,849		
Interest on bonds, 1820-21.................	162,938		
Dividends on stock	632,251	Deficiency after paying interest on bond-debts and dividends, both which are, by the Act 53 Geo. III., s. 27, chargeable on commercial profits..	518,776
£	4,085,418	£	4,085,418

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MR. RICKARDS'S FIRST STATEMENT,

As corrected by Mr. Melvill.

	£.		£.
Cost of teas as per No. 32, viz. 28,545,960 lbs.....	1,874,840	Sale of the quantity, per contra, viz. 27,975,041 lbs. (sale weight)	3,914,049
Freight and demurrage ..	536,740		
Charges: £. Canton Salaries 82,114; Do. England.. 173,520; Interest...... 236,287; Insurance 58,654	550,575	To be re-credited as above explained: Amount of interest earned on the Company's own capital...... £236,287; Amount saved by them in the mode of effecting their insurance 44,593	280,880
Interest on the bond debt	162,938		
Dividends on stock	632,251		
	3,757,344		
Surplus	437,585		
£	4,194,929	£	4,194,929

	£.
Surplus	437,585
Instead of a deficiency of....	518,776
Difference................	956,361

29 April 1830.

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MR. RICKARDS'S SECOND STATEMENT,

(No. 1.—29th March 1830.)

PROFIT AND LOSS ON THE CHINA TRADE.

Page 492 .... 3764*a*.

Imports .... 1814-15.
Sales .... 1815-16.

	£.		£.
Cost of 26,195,144 lbs. of tea exported by the East India Company from Canton to England in 1814-15, as per No. 32 of Papers relating to the Trade with India and China, 4th June 1829, 26,195,144 lbs.	1,743,081	Sale amount of 26,234,244 lbs. of tea in 1815-16, as per No. 33 of Papers relating to the Trade with India and China, 4th June 1829........	4,102,668
Freight and demurrage, as per No. 32	1,680,682		
Charges in China and England, as before	618,849		
	4,042,612		
Profit	60,056		
	4,102,668		
Interest on home bond-debt	235,967	Profit brought down	60,056
Dividends on stock	629,902	Deficiency	805,813
£	865,869	£	865,869

29 April 1830.

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MR. RICKARDS'S SECOND STATEMENT,

(No. 1.)

As corrected by Mr. Melvill.

Cost, as per No. 32, viz.: 26,195,144 lbs.	£. 1,743,081	Sale of the quantity, per contra, viz. 25,671,241 lbs. (sale weight)	£. 4,014,622
Freight and demurrage, as per corrected statement upon that quantity	814,094	To be re-credited, as before explained:	
Charges: £. Canton Salaries, 82,114; Do. England.. 173,520; Interest ...... 236,287; Insurance 58,654	550,575	Amount of interest earned on the Company's own capital...... £236,287; Amount saved by them in the mode of effecting their insurance 44,593	280,880
	3,107,750		
Profit	1,187,752		
	4,295,502		4,295,502
Interest on home bond-debt, as per No. 21 of Papers, February 1830, year 1815-16	£. 235,967		
Dividends .. ditto	629,902		
	865,869		
Surplus	321,883		
£	1,187,752	Profit brought down .. £	1,187,752

Surplus	£321,883
Instead of a deficiency of ..	805,813
Difference	£1,127,696

29 April 1830.

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MR. RICKARDS'S THIRD STATEMENT, (No. 2.)

PROFIT AND LOSS, CHINA TRADE.

Page 492 .... *3764a.*

Imports .... 1827-28.
Sales .... 1828-29.

	£.		£.
Cost, 1827-8, of 31,593,176 lbs. exported from Canton, as per No. 32 of Papers relating to the Trade with India and China, 4th June 1829..	1,981,419	Sale amount of 30,269,508 lbs. of tea in 1828, 9, as per No. 41 of Papers relating to the Trade of India and China, February 1830, being a quantity (with the allowance of 5 per cent. for wastage) equal to that purchased in 1827-8	3,527,057
Freight and demurrage, as per No. 31 of ditto ...	783,759		
Charges in China and England, as before	618,849		
	3,384,027		
Profit	143,030		
	3,527,057		
Interest on home bond-debt for 1828-9, as per No. 21 of Papers, February 1830..........	158,124		
Dividends on stock, per ditto	629,071	Profit brought down	143,030
		Deficiency	644,165
£	787,195	£	787,195

29 April 1831

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MR. RICKARDS'S THIRD STATEMENT, (No. 2.)

As corrected by Mr. Melvill.

	£.		£.
Cost, 1827-8, of 31,593,176 lbs. of tea, exported from Canton, as per No. 32 of Papers relating to the Trade with India and China, 4th June 1829	1,981,419	Sale of the quantity, per contra, viz. Sale weight, 30,961,313 lbs.	3,604,177
Freight and demurrage, as per corrected statement upon that quantity	550,866	To be credited, as before explained:	
Charges in China and England, as corrected, viz.		Amount of interest earned on the Company's own capital £236,287	
Canton salaries .. £82,114		Amount saved by them in the mode of effecting their insurance 44,593	
England ditto .. 173,520			280,880
Interest 236,287			
Insurance 58,654	550,575		
	3,082,860		
Profit	802,197		
£	3,885,057	£	3,885,057

		£.
Profit brought down		802,197
Interest on home bond-debt	£158,124	
Dividends on stock	629,071	
		787,195
Surplus		15,002
Instead of a deficiency of........		644,165
Difference		£659,167

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MR. RICKARDS'S FOURTH STATEMENT,

(No. 3 in the Evidence of 29th March 1830,)

To show the apparent Result of the Company's Tea Trade, calculated on an average of the fourteen years contained in the Tables No. 31, 32, and 33, of "Papers relating to the Trade with India and China," 4th June 1829, or from 1814-15 to 1827-8 inclusive; and taking the charges in China and England at the same amount as in 1820-21.

Page 494, No. 3.

	£.		£.
Cost of 28,129,230 lbs. of tea, being the average of the quantities exported from Canton to England for fourteen years, as per No. 32 of the Papers referred to	[illegible],819,788	Sale amount of 25,870,764 lbs. of tea, being the average of fourteen years' sales, as per Table No. 33 of the Papers, &c. above referred to	3,583,484
Average of the commercial freight and demurrage for the same period, as per No. 31 of the same Papers	867,654		
Charges in China and in England, as before	618,849		
£	3,306,291		
Profit	277,193		
£	3,583,484		
Interest on the home bond-debt, average of fifteen years, as per No. 21 of "Papers relating to the Finances of India," February 1830..........	177,352		
Dividends on stock, average of ditto, as per do.	630,572	Profit brought down	277,193
		Deficiency	530,731
£	807,924	£	807,924

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MR. RICKARDS'S FOURTH STATEMENT,

As corrected by Mr. Melvill.

	£.		£.
Cost of 28,129,230 lbs. of tea, exported from Canton to England per annum, upon an average of fourteen years, 1814-15 to 1827-8, as per Papers No. 32	1,819,788	Sale of the quantity per contra, viz. 27,566,646 lbs. sale weight	3,818,389
Freight and demurrage, as per corrected statement, upon that quantity	578,539	To be re-credited, as before explained:	
Charges: £.		Amount of interest earned on the Company's own capital £236,287	
Salaries, Canton 82,114		Amount saved by them in the mode of effecting their insurance 44,593	
Do., England 173,520			
Interest 236,287			
Insurance 58,654	550,575		280,880
	2,948,902		
Profit	1,150,367		
£	4,099,269	£	4,099,269

		£.
Profit brought down		1,150,367
Interest on the home bond-debt	£177,352	
Dividends on stock	630,572	
		807,924
Surplus		342,443
Instead of a deficiency of		530,731
Difference of		£873,174

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4376. In those computations have you included interest on the bond debt?—Yes; but I would avail myself of this opportunity to state, that it seems to be quite a mistake on the part of Mr. Rickards to suppose that the interest upon the bonds is by law chargeable upon the Company's commercial profits. It is by law, together with their ordinary outgoings, chargeable upon the Company's home funds; but the question of whether it is chargeable upon the commerce or upon the territory of the Company has never yet been definitively settled. So far back as the year 1783, the Company, in a petition to the House of Commons, stated as follows:—"The bond debt which your petitioners now owe in a great measure arose from their military expenses in India, or has been necessarily continued on that account; independently of these expenses, your petitioner's ordinary mercantile profits would have enabled them to have extinguished the whole of their bond debt long before their territories were acquired." I believe the Company consider that this reasoning has gained force from subsequent events; and if the Committee will refer to the 51 Geo. III. c. 64, they will see that Parliament has given some recognition of a political character to this debt.

4377. You have stated in your evidence, that in the official documents as to the quantities of teas sold in the year 1828-9 there is a great discrepancy; can you explain those variations that appear to exist?—Those discrepancies entirely arise from the accounts which were called for differing in their titles and in the periods to which they refer. The first of the accounts, No. 33, to which Mr. Rickards refers (page 491) relates to the Company's tea only, and the period in that account is from March to March, which was the official year before 1814-15. The second account, No. 38, includes, as its title imports, the teas of the commanders and officers of the Company's ships. The third account, No. 41, embraces the period from May to May, which is the present official year.

4378. You have stated that these accounts were called for; by whom were they called for?—By the Board of Commissioners for the Affairs of India, and subsequently laid before Parliament by the King's command.

4379. Then you mean to state that if the words of the order had been given the same for each of the accounts called for, those variations would not have happened?—There could have been no discrepancy.

4380. What are the titles of the Acts which you consider oblige the Company to prepare the ships for trade and war?—The 39th Geo. III. c. 89, and the 58th of Geo. III. c. 83.

4381. By what authority are the ships going to North America exempted from that?—There is a special clause which autho-

rizes ships to be taken up either for an unforeseen exigency, or for one voyage only, by private contract. 29 April 1830.

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4382. Then it is under that provision that the tea trade to North America is carried on?—I apprehend it is.

4383. In speaking of the facility which the Company have of freighting ships as low as private individuals, does not the amount of freight which the Company pay depend upon the equipments, the amount of stores, and number of men which they in their tenders require the owners to produce?—No doubt it does; but the equipment must necessarily be governed by that condition in the law which requires that when ships are built for the service they shall be applicable to warfare.

4384. Is there any thing in the Act which requires the Company to continue a war equipment during peace the same as during war?—The Company do not retain a war equipment in peace. I apprehend that the condition of taking up the ships for war renders the price higher at the period when they are engaged; that a ship applicable to war would be tendered at a higher price than a ship that is not so applicable.

4385. When ships are taken up for one voyage, is not it left at the discretion of the Court of Directors?—Undoubtedly.

4386. Is there any reason why ships taken up for one voyage by the Company should not be as cheap as those that private individuals can take up?—I apprehend not, unless it should happen, as it frequently does, that a ship for one voyage is taken up for the purpose of conveying troops as well as of bringing home goods from India, and that double service renders necessary those conditions which involve a higher rate of freight.

4387. For a direct voyage to China, you are not aware of any conditions that require it?—No.

4388. Are you not aware that ships in time of peace are not equipped as they were in time of war?—Certainly not; but the ships have constantly in peace a political service to perform in the conveyance of troops and stores.

4389. Do the Company ever send out troops in ships hired for one voyage, and not in the regular service?—Yes, they do occasionally.

4390. Are you able to state what is the additional freight paid by the Company for such ships that carry troops?—I am not able to state what it is.

4391. Are you aware whether the troops are carried with equal convenience and safety in the ships hired for one voyage as in the larger ships?—I should say not; and the reason why I say so is, that when the Company in some former periods have made use of a small ship instead of a large one for the conveyance of troops, complaints upon that ground have been

29 April 1830. made to the Court from the Horse Guards. The general impression upon my mind is, that the accommodation of the Company's larger ships has been preferred and desired.

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4392. You are aware that there is in the Company's warehouses and in transit always two years' consumption of tea; do you conceive that to be required by the Act of Parliament in which this clause is to be found: "That the said United Company shall from time to time send orders for the purchase of such quantities of tea, and provide sufficient ships to import the same, as, being added to the stock in their warehouses, and to the quantities ordered and not arrived, shall amount to a sufficient supply for the keeping a stock at least equal to one year's consumption, according to the sales of the last preceding year, always beforehand:" in your opinion, does the construction of that Act of Parliament require two years' stock of tea to be kept always on hand?—The Company have construed that law to mean that it requires that they should have always one year's consumption in stock in London. They must, of course, have more than that in a part of the year, because the ships arrive at a particular period; so that when the ships have discharged, the stock must amount to more than one year's consumption, or it would be materially less at the end of the year.

Lunæ, 3° die Maij 1830.

THOMAS GORE LLOYD, Esq. again called in, and examined.

3 May 1830.

T. G. Lloyd, Esq.

4393. YOUR signature appears to a paper given in to the Committee, being an account of profit and loss upon the trade of the East-India Company between Europe and China for the last ten years; what is included in what you term the prime cost, calculated at 6*s.* 8*d.* the tale?—That prime cost is the invoice amount of those teas.

4394. What is included in the invoice amount of those teas in the charges of China?—There are what they call the proportional charges; they amount to about three per cent.

4395. Is the prime cost stated in that account the same as the cost in China, as stated in the amended estimate (No. 2.)?—It is not.

4396. What is the difference?—The difference is, that the prime cost in the amended statement of the computation of the upset price of tea contains a calculation for the rupees of the supplies furnished to China from India at 5*s.* 2*d.* per ounce according to the mint price of silver, making the rupee about 2*s.* 0½*d.*

4397. Does that make the prime cost, as stated in your paper, more or less?—The prime cost is less in the computa-

tion of the upset price of tea, because the prime cost in the account of profit and loss calculates the rupee at what are termed the Board's rates, that is, at 2*s.* 3·84*d.*

4398. Is there any other difference in the calculation?—There is another difference, not in the prime cost but in the charges; the prime cost in the amended paper includes interest and insurance upon the outward consignments. In the paper of profit and loss, that interest and insurance is not included, inasmuch as I hold interest of money to be a profit, and we charge the actual loss to the Company in the profit and loss account, and not a rate of insurance.

4399. In this paper which is given in of profit and loss, no charge such as is made in your statement for the interest from the arrival of the teas in England to the estimated realization of the same amount, eighteen months, and no insurance at three per cent. upon the teas home-charged in your statement, are included; do you not consider that that should go into the account in order to exhibit the amount of profit and loss?—I do not; upon this principle, that interest itself is held to be a profit, and the actual losses are included in that account, instead of a rate of insurance.

4400. How is it possible that this can give a correct estimate of the net profit, when a sum so large as from £250,000 to £260,000, which is the rate of interest charged in other accounts upon the investment in teas, and a sum as large as £50,000 to £60,000, charged for insurance, are entirely omitted?—Because the Company trade upon their own capital, and whatever interest they make upon that capital is a profit; if they were to charge it in the first instance, they would have to re-credit it.

4401. Then you consider that interest is not a proper charge at all to go into the cost of the tea?—It clearly forms an item in the cost of the tea when put up under the Commutation Act, but not in the profit and loss accounts, for the reasons I have given.

4402. Are you acquainted with a document which was given in to the House of Commons in 1824, in which the charges upon the tea were stated under different heads, say the heads of salaries, emoluments, and expences, in any of the expences in England, and the interest and the insurance?—I am.

4403. If those were not charges proper to be taken into the calculation, why were they put in at that time?—Because the charges included in that paper were those which it was presumed the Company had a right to charge under the Commutation Act.

4404. Is it to be understood that those charges, made agreeably to what the Commutation Act sanctioned, were not actually expences incurred?—The interest being that upon the Company's own capital, was not an actual outgoing, and the

3 May 1830.

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Company being their own insurers had the profit as underwriters.

4405. Do you not consider that the Company is exposed to those charges as any other commercial dealer would be?—I conceive that the Company traded upon their own capital, and that whatever interest they made upon that capital they had a right to put among their profits.

4406. Do you know that it is the custom of merchants, in casting up their profit and loss at the end of the year, to charge it with interest?—Yes, but the interest of that capital would go to pay their own dividends.

4407. The question is not on the dividends, but on the profits, and the account moved for was one of net profit; how can it be an account of net profit when interest is not deducted?—I conceive, notwithstanding, that the interest on capital is part of their profit, as they charge themselves with interest of all money; all interest of money on their own capital I consider as a profit.

4408. Supposing the Company were to withdraw their capital from the trade in which they were engaged, and to employ it in some other way, they would be receiving the fair rate of interest on that capital so employed?—I apprehend they would.

4409. If then the amount of interest which the Company do not charge, but which they would make by the employment of their capital in any other way, and the amount of insurance, which is a risk incurred by them which they might also make by underwriting other risks, were deducted from the sum of the net profit to the Company, would it not reduce that profit most materially, to the sum of about £300,000 or £250,000, instead of £763,000?—I apprehend there is a difference between profit as interest for the use of money and mercantile profit after charging the account with interest, and the Company are their own underwriters, and they have a profit of insurance.

4410. Supposing the Company were to render an account of profits as any other merchant would do, charging the account with interest for the capital employed, and charging the account with premium of insurance which would be paid if they were not their own underwriters, would you not reduce that by so much as those two sums would amount to, which on these accunts is about £350,000; would not that reduce the account of net profit they have given in here so much?—If they were to charge their capital with interest, and if they were to charge insurance, certainly it would reduce it; but, on the other hand, they would receive interest for the use of their own capital, and their profit as underwriters.

4411. So that the net profit as given in in this account is not

the net profit; it is the profit they make of interest upon the capital employed, and the premium of insurance which they make, being their own underwriters?—The net profit includes those items.

4412. So that, in fact, to any mercantile house this account of net profit given in by the Company is a fallacious one?—I am not prepared to say that; the most cursory examination of the account will show the column containing actual losses, instead of a rate for insurance.

4413. You state that this account is not charged with insurance, because in making it up it is only debited for the loss that may have accrued to stand against the premium with which the Company, in another account, debit themselves; there appears no column here for any loss, there has been no loss probably?—There is a column, I believe, for losses; "losses at sea on consignments between Europe and China."

4414. Where is the balance of that sum then carried?—The Company debit themselves only with their actual losses.

4415. In this same account there appears a column of charges on merchandize calculated at five per cent. on the sale amount of the goods; on what data do you take that five per cent.?—That five per cent. has been a rate that we have used for years, ever since I can remember; and by calculations at various times it was found to be as nearly accurate as may be.

4416. You have made out a statement in your own corrected examination upon the same data, in which you charge the expences, landing, housing, warehouse-room, carting, preparing for sale, and all charges of merchandize, on the same data?—They are made out on a more accurate one.

4417. Are you not aware, that instead of giving five per cent. upon the cost of the tea, the return makes it nine and a half and ten per cent.?—I have never made a calculation.

4418. If it does, it must be clear that the calculation of five per cent., as given in in the first account, is perfectly incorrect?—I believe not, inasmuch as that charge of merchandize is not upon the sale price; the charge of five per cent. is upon the sale price, the other is upon the cost price.

4419. The charge upon the sale price is five per cent. without the duty?—It is.

4420. That is not the upset price?—No.

4421. Do you not keep a separate account of your insurance, deducting the risk from the premium you set aside?—We do keep an account of that fact in our ledger, for the purpose of ascertaining the balance of that insurance account, but have never carried it forward as a separate article of profit and loss.

4422. Are you able to ascertain by that the per-centage at

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which the risk was taken?—By that account we should show how much we have gained by underwriting.

4423. Have you on the same principle the same account of charges, so as to show what is the profit you gain by setting aside five per cent. in the manner you have done?—I do not apprehend we gain any thing by that; we can make up such an account.

4424. You were understood to say you had a more accurate mode?—Yes, as it respects the upset prices.

4425. Can you furnish the Committee with what it was the object of the person who moved for it to get, a mercantile account, in the way in which merchants consider such an account, of the profit and loss of the East-India Company's tea-trade with China for one year, taking into account interest upon the capital employed as calculated in forming your upset price, taking insurance as calculated in forming your upset price, and placing the positive charges paid for warehousing, housing, carting, and other expences?—If the Committee will be pleased to direct such an account, I have no doubt we shall be able to furnish it.

4426. In the annual commercial account there is an item stating the charges general; can you furnish the Committee with the particular items which compose that sum, which amounts to £450,000?—Yes, we can for any year.

Jovis, 6° *die Maij* 1830.

Captain JOHN MACKIE called in, and examined.

6 May 1830.

Capt. J. Mackie.

4427. You have resided in India several years?—I have for ten years.

4428. From what period?—From 1820 till the latter end of 1829.

4429. Did you command a ship in the China trade?—I commanded a Spanish vessel on the coast of China.

4430. What was this vessel engaged in?—In the opium trade.

4431. She was sailing under Spanish colours?—She was.

4432. What ports of China have you visited?—I visited the port of Amoy, and all the ports between that and Canton.

4433. Were you entirely engaged in the opium trade?—Entirely; I carried also a little saltpetre.

4434. What was the name of the ship?—The St. Sebastian.

4435. Whom was she owned by?—Spaniards.

4436. Did any part of the cargo belong to British merchants?—Entirely British.

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4437. Can you state any other ports in China that you touched at besides Amoy?—Not any other principal ports; I touched at all the ports between Amoy and Canton.

4438. You lie off some ports, do not you?—I lay off the port called the Cape of Good Hope, and the island of Namo.

4439. At what distance is the Cape of Good Hope from Canton?—About three hundred miles to the north-east.

4440. Did you find good shelter for your ship?—Excellent; all those harbours are as safe as the port of Canton itself.

4441. Was the trade you carried on authorized by the laws of China?—I understood it was not authorised, but it was done quite openly.

4442. In the same way that the opium trade is carried on at Canton?—The very same.

4443. Have you ever experienced any difficulty in carrying on the trade, although not formally sanctioned by the Chinese laws?—Never the least.

4444. Who were the parties with whom your trade was carried on?—The Chinese merchants.

4445. Resident at any particular points?—Some of them from the city of Amoy, some from Ta-ho and Namo, and some from inland towns.

4446. Are any of those places in the province of Fokien?—Amoy is in the province of Fokien. I am not aware whether the island of Namo is in the province of Fokien or not.

4447. Have you got better prices for those articles than could be got at Canton?—Yes.

4448. What was the difference of the price?—About 100 dollars upon a chest of opium, or 125, and sometimes 150, and sometimes higher.

4449. What advance was there upon the price of saltpetre?—About three dollars a pecul.

4450. What might be the total value of saltpetre and opium that you disposed of upon any one voyage?—In my second voyage I brought back treasure to Lintin to the amount of 132,000 Spanish dollars, partly in dollars, and partly in Sycee silver.

4451. What did you bring back the first voyage?—About 80,000 dollars, in dollars and Sycee silver.

4452. How long did this second voyage last from your leaving to your returning to Lintin?—Eight weeks.

4453. Where did you dispose of this cargo?—At the Cape of Good Hope.

4454. Was there safe anchorage there?—Quite safe.

4455. Is that near any town?—Yes, it is within fifteen miles of a very large city, the city of Tyho.

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4456. From the time of your arrival how long were you detained before you disposed of the whole of your cargo?—From fifteen to twenty days.

4457. What did you receive for your cargo?—Sycee silver and dollars entirely.

4458. Why did you make your returns in bullion only?—I was particularly desired by the agents of the brig to take nothing else.

4459. Could you have had returns in the produce of the country?—I could have had returns in any produce of the provinces, such as sugar, tea, cassia, tortoiseshell, nankeens, or any thing that could be had.

4460. You would have had no difficulty in completing your cargo of those articles?—Not the least.

4461. In what manner is the produce of the north-eastern provinces sent to Canton?—I presume it is principally sent by sea, from the number of large junks always upon the coast.

4462. Have you seen teas sent by sea?—Yes; I have been on board of two junks entirely loaded with tea.

4463. What was the size of them?—They could not have been less than 200 tons.

4464. From whence did they come?—They came from Amoy, and they were bound to Canton.

4465. Did you board those junks?—I boarded both of them, and sent letters by them to Canton.

4466. Were those letters regularly received?—They were received in due course.

4467. Do you think you could have loaded your vessel with teas of good quality?—I have no doubt I could, of the very best quality. I have no doubt I could have had any sort of Chinese produce that I wished.

4468. Had you any conversation with the captains or the supercargoes of the junks?—Yes; one of the merchants gave me an invitation to wait upon him at his house at Canton.

4469. Do you think you could have disposed of any other article besides those you sold at the places you visited?—Yes; I think that woollens might have been disposed of, and perhaps a small quantity of iron, a few watches, and different kinds of things.

4470. What species of woollens do you think you could have disposed of?—Principally long ells and fine broad-cloth; blankets and camlets also would have sold very well; they are in ready demand all along the coast of China.

4471. Were there any duties paid to the Government upon those cargoes?—I never paid any duties; but I understood that upon all opium that is taken away from the ships the inferior

officers of government get about twenty dollars for every chest. The Chinese pay that themselves; the ships pay nothing.

4472. Did you ever pay any port-charges of any kind?—Never.

4473. Were you ever annoyed by the Chinese authorities?—No. I have been requested, as a favour, to shift my situation, as the principal officer was coming; and I have gone away, and come back again in one or two days.

4474. Have you ever landed when you were engaged in this trade?—Frequently; almost every day.

4475. Whenever you liked?—To any place I liked.

4476. Were you on such occasions ever annoyed or ill treated by the authorities or by the people?—Never; quite the contrary; I was always received in a civil way. I had invitations into their houses, and was treated with tea and sweetmeats.

4477. How far have you penetrated into the interior of the country?—Six or seven miles.

4478. Could you have gone further if you had pleased?—Any distance I pleased.

4479. What cities or towns have you visited on such occasions?—I visited the city of Kesiak, the city of Amoy. The city of Tyho was too far distant from the ship, and I did not visit it.

4480. Is Kesiak a large town?—It is.

4481. What is the population of it?—It is impossible to tell the population; I think it is nearly as populous as Canton.

4482. Is there a harbour at Kesiak?—A fine harbour.

4483. Was that a commercial town?—It is a commercial town for junks only.

4484. Do you know what province it is in?—The province of Canton.

4485. What distance from Canton is it?—About 150 miles.

4486. Is there much foreign trade carried on in Kesiak?—I am not ware that there is any. There is a very large coasting trade.

4487. Are you of opinion that the Chinese in the places you visited are anxious for the extension of commerce?—I should conceive that they were, because I have always found the Chinese inclined to buy any thing that was at all useful, of any description.

4488. You conceive them to be any thing but an anti-commercial people?—I should consider them to be quite otherwise.

4489. Do you conceive that they have any antipathy to strangers?—I should conceive quite otherwise. In the northern provinces especially I was most politely received, and my people were equally the same.

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4490. Being under the Spanish flag, could you have carried on a legitimate trade at the port of Amoy?—Yes; the Spaniards have had the privilege, but latterly they have not sent any ships there.

4491. Perhaps a legitimate trade was not your object?—Not, at all; we were trading in prohibited articles.

4492. Do you imagine that the contraband trade is more profitable than the authorized trade?—I have never been in the authorized trade, and therefore I cannot state that.

4493. Did any other British ships under the British flag prosecute the same trade that you did at that time?—Yes, there was an English ship, the Merope, belonging to Calcutta; the Valetta, the Eugenia, the Jamecena, and the Dhaule schooner.

4494. What were those vessels?—All English vessels belonging to the port of Calcutta.

4495. Where were they trading to?—To Formosa, and the port of Nimpo, which is considerably to the north.

4496. Is not that in the province of Kiangnan?—I believe it is.

4497. Did those ships go to Amoy?—One of them I think did, but they did nothing; they knew that nothing could be done by the merchants. The Merope touched off Amoy, but it did not go in, because she could not trade in opium.

4498. Had you any communication with the commanders of those vessels?—Frequently, although we had different interests, all except the Merope.

4499. Was your interest the same with the Merope?—She had an agent of ours.

4500. Did you understand from the commander of those vessels that they carried on the trade as easily as you did?—With the same facilities; although I believe I was rather more fortunate than they were, being engaged in the trade earlier.

4501. At the ports you have named, do you know whether the import and export duties are paid to the government?—I am not aware of the duties; I never heard the duties mentioned.

4502. Did the Americans ever engage in this trade?—American vessels have gone to the coast, but I believe on British account.

4503. Did the British vessels you have named visit any ports besides those you have mentioned?—The Merope traded to the port of Chinchoo and the island of Formosa.

4504. Did the Merope go to Nimpo and the Cape of Good Hope?—Yes; she touched at every port on that coast.

4505. Which do you conceive is the best station for carrying

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on that trade?—The best station I ever found was between the island of Namo and the Cape of Good Hope.

4506. Why do you conceive that to be better?—Being the centre between two very large towns.

4507. Have you ever been off the province of Fokien?—Yes.

4508. What harbour did you go into there?—I went into one of the ports of Chinchoo.

4509. What was the species of cultivation you saw when you landed there?—The only species of cultivation I have seen was rice and sugar.

4510. You did not go into the tea country?—No; I have never seen any tea. I was in the neighbourhood of it, and I understood it was within a short distance of where I was.

4511. Does not the tea generally grow in the hilly districts?—All along the coast is a mountainous district.

4512. What did your crew consist of?—Of all sorts; English, natives of India, and natives of the Phillipines.

4513. What number of Englishmen had you?—I had sometimes from ten to twenty.

4514. What was the number of your crew?—Forty.

4515. Did those Englishmen land?—Yes, frequently.

4516. They had intercourse with the natives?—Yes.

4517. Did you ever hear of any disturbance between them and the natives?—Never the least disturbance.

4518. Were the crews generally well received by the natives?—Equally as well as I was myself; they were allowed to walk about the fields, and to go into the houses.

4519. Were any British seamen on board the other ships?—Yes. The Americans had all American seamen; the Merope had ten or twelve English seamen.

4520. Do you know of the ships you have mentioned having British seamen on board?—It is most likely that the other ships had at least six English seamen on board, as sea-cunnies.

4521. Did you ever understand that the commanders of those vessels experienced any inconvenience from that circumstance?—I never experienced the least inconvenience; nor did I understand that any was experienced by the others.

4522. Did you find the coast of China generally in a state of good military defence?—I should say quite the contrary, because the greatest number of troops that ever I have seen was in the train of Mandarines, to the amount of about 500.

4523. How were those armed?—They were dressed in red calico jackets with a large bamboo hat on, and with large wooden

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shoes; some with bows and arrows, and some with matchlocks and some with spears.

4524. Supposing you had had a serjeant's party of English troops, what would have been the effect upon the Chinese soldiers?—They would have run away.

4525. Did you ever go into their forts?—Frequently.

4526. In what state were they?—In a state of dilapidation.

4527. What was the state of the guns?—The guns were all dangerous to fire, being honey-combed; and being laid between two pieces of wood, they could only be fired in a straight direction.

4528. Were the fortifications in a pretty good state?—No, quite ruinous; there were about forty or fifty men in each of the fortifications.

4529. What was the reason you had so many men in a brig of 200 tons only?—The reason was that we had to beat up against the monsoon, and that we had a valuable cargo on board.

4530. Did not you find that the number was too large?—I reduced the number afterwards to thirty.

4531. Had you any Spaniards on board?—I had one Spaniard to represent the flag, to be captain or supercargo.

4532. Did you observe any British manufactures in the places you visited?—Yes; I frequently saw the Chinese wearing them, such as camlets, cloths, long ells, and some English blankets, English watches and English spy-glasses.

4533. Do not the Chinese of respectability generally wear two watches?—That is always the case.

4534. Are not those watches almost entirely of English manufacture?—Entirely English and French.

4535. Which predominate, the English or French?—I believe the English predominate, because no makers in Canton can repair the French.

4536. Do you know why they wear two generally?—Because they say if one goes to sleep the other is awake.

4537. How did you find the climate from the month of November to the month of March?—Extremely cold; the thermometer ranged from 45 to 60.

4538. Would there be a demand for English blankets?—I should conceive there would be a demand for English blankets.

4539. Are they now generally purchased by those that can afford them?—By every one that can afford them.

4540. What description of native woollen manufacture is there?—The only native woollen manufacture I saw is in imitation of cashmere shawls. I think it is manufactured of goat's hair; it is a fine sort of white flannel.

4541. Is it of a high price?—It is not within the reach of the poor people at all. 6 May 1830.

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4542. What is the common dress of the poor people?—Blue cottons.

4543. Do you know where those cottons are manufactured?—In China.

4544. Do you know in what part?—They are manufactured in all the provinces. I have seen them manufactured in every village I have gone into.

4545. Did you ever observe what sort of machinery they had for the manufacture of those cottons?—A very rude loom, quite in a very old fashion.

4546. Did you ever compare the price of cotton so manufactured in China with the price of English cotton?—No, I never did; it is much dearer than English cotton, because English cottons sell in China at very fair prices; and they dye English long-cloths afterwards as a substitute for their cottons, and they are much cheaper.

4547. Do you know the proportion of cost?—No.

4548. Did you see them spinning?—Yes.

4549. How is the cotton spun?—The women spin with their hands.

4550. And there is no sort of machinery, except a very rude loom, applied to the Chinese manufacture?—None that I have seen.

4551. Were those cottons that they dye Indian or English cottons?—English.

4552. Do the natives prefer their own, being dearer?—Their own cottons wear better; but a cheap article is always a great object with the Chinese, even if it should not wear so well.

4553. Supposing there was a great trade carried on between England and China, do you not imagine that the cheap manufacture of England would to a considerable extent supplant the dear manufacture of China?—I have no doubt it would entirely.

4554. Is the trade you have described as being carried on when you were there still carried on?—It is.

4555. In what year was this?—In 1823 and 1824. Afterwards I lay as a depôt ship at Lintin.

4556. How long were you altogether in China?—Four years and a half.

4557. How long is it since the Spaniards have given up the trade to the port of Amoy?—About thirty years. As the junks go over now from Amoy to Manilla with the same goods, they can purchase them at a cheaper rate than they could get them at Amoy.

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4558. What was the last year you were in China?—I was there five months in 1828, at Macao and Canton.

4559. In what year were the British ships you have mentioned there?—They were there the same year as myself, and I left some of them lying there as depôt ships at Lintin; they are lying there now as depôt-ships.

4560. Do you know of any ships having been there last year?—No, I do not know of any ship. There was one vessel went up in 1828 when I was there, and delivered a cargo upon the coast.

4561. What are the depôt-ships?—They are ships that lie outside of the islands a Macao, to receive opium, or any other goods that are wished to be deposited on board of them.

4562. Then you have no knowledge of any lawful trade carried on there at all?—Not the least.

4563. Were the others obliged to move sometimes as well as you?—Yes; we moved as a favour to the Mandarins. The Mandarins come down once or twice a year, and send a person to warn you to shift yourselves.

4564. You are obliged to shift your station?—We were not obliged to do it; but it was to favour them, that they might make a report that it was all clear.

4565. What number of ships do you remember there at any one time?—I have seen as many as twenty ships at one time.

4566. How many European ships?—I have seen ten European ships, and a considerable number of American ships.

4567. Did those ships trade to the port of Amoy?—No; there has been no trade done at the port of Amoy; they traded to the island of Formosa and Nimpo, and about the Cape of Good Hope; some of those merchants went to Amoy and different parts.

4568. In fact they were coast smugglers?—They were.

4569. Under what flags were they?—The English flag; all except the Americans, and the vessel I was in command of, which was a Spanish flag.

4570. Were there any Portuguese?—There was sometimes a Portuguese vessel.

4571. You were understood to say, that you did not find it necessary to establish any stricter regulations with respect to intercourse with the shore than at other places?—Not any; I allowed my crew to go on shore at any time they pleased.

4572. Have you ever known any inconvenience from it?—Not any.

4573. Have you known any to happen with any other ship?—Not any.

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4574. Was it the general practice of the ships?—It was; there was never the least disturbance.

4575. Did you see the ten or twelve British seamen that you spoke of on board the Merope?—Yes; I was on board of her every time she came on the coast.

4576. Who commanded that ship?—Captain Perkins, a lieutenant of the navy.

4577. Do not you know that the country ships generally have sea-cunnies, that are natives of India?—Yes; but an opium ship being of considerable value, it is necessary to have an efficient crew on board; and we prefer to have a few Englishmen, as being steady men, in preference to the natives of India; and the Merope, when she was on the coast, had a very valuable cargo on board of her.

4578. Do you remember the name of any of the depôt-ships you have mentioned?—Yes, I remember them all.

4579. In your license was there any limitation as to the ports to which you were to go?—I was quite independent of the Company.

4580. Where did you get your license?—My owner was consul for the King of Spain at Canton, and he gave me a license whenever I went to sea.

4581. Have you been at Manilla?—I never have.

4582. Is there much trade between Manilla and China?—A considerable trade in rice, and some China goods.

4583. Was there any other ship under Spanish colours besides yours?—None; and the vessel that I was in is sold.

4584. And there is now no trade under Spanish colours?—None.

4585. Were you not offered to carry on a legitimate trade with Amoy under the Spanish flag?—Yes; by the Viceroy of Amoy.

4586. What intercourse had you with him?—He visited us on board the ship.

4587. How far were you from Amoy?—We were in the port of Amoy, right off the palace.

4588. What passed between you and the Viceroy upon that occasion?—Merely compliments.

4589. In what terms did he offer you to trade with Amoy?—He had to make a reference to another superior before he could give the terms.

4590. Was that reference ever made?—We did not wait till he came.

4591. Did the Viceroy know that you had opium on board?—No; it was known to the opium dealers, but not to the Viceroy.

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4592. How came he to offer you a legitimate trade?—Because we hoisted our colours.

4593. Did he mention the word legitimate?—He said he would give us a free trade.

4594. Do you understand the Chinese language?—I do not understand it so as to write it; I can speak it a little.

4595. Is saltpetre a prohibited article in China?—It is an article that by law is always obliged to be sold to the government, but it is principally sold to the outside dealers, who give a higher price for it.

4596. Did you converse with the Viceroy?—Yes, through an interpreter.

4597. Did he use the word legitimate?—No; he offered to give us a cargo in exchange for what we might give him, money or any thing else. He said, if we wished to have a cargo, he wished to renew the intercourse on the same terms as it had been before.

4598. What cargo would he have given you?—Any thing we wished to purchase.

4599. What commodities could you have had from him?—As we had no intention of exporting any thing, we made no inquiries.

4600. Is the saltpetre imported into China solely for the purpose of being converted into gunpowder?—Solely for gunpowder and fireworks; the Chinese use a great quantity of small fireworks.

4601. Is Amoy a very large town?—A very large town; there are nearly as many junks about there as about the port of Canton.

4602. Do you suppose it is as populous as the port of Canton?—It is very difficult to say as to that.

4603. Did you find the country of China through which you went populous or not?—Every part populous. When I have been lying at the Cape of Good Hope I have seen 1,000 fishing-boats going to sea in a morning; I have counted them.

4604. You had no commercial intercourse with the Viceroy?—None.

4605. Did he offer you to purchase any thing you had, and did he specify the kind of cargo he was ready to give you in return?—He specified that he wished to renew intercourse upon the old establishment, and any cargo that we wished to purchase he would do it in the old way.

4606. Is there not a considerable foreign trade carried on with Amoy?—Yes, principally to Manilla and Sincapore.

4607. Did you know of any junks that went from Amoy to Sincapore?—Yes, there are a considerable number.

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4608. Are they large junks?—About the size of 500 or 600 tons.

4609. What do they take to Sincapore?—A Chinese cargo consists of a variety of things; crockery-ware, coarse teas, and every thing they expect to sell.

4610. What did the junks bring back from Sincapore?—Sandal-wood and opium are the staple articles.

4611. From your experience and observation of the Chinese ports, what are the articles of European manufacture which you consider would obtain the most ready sale?—I should think woollens would be the most ready article; camlets, fine cloths, and coarse white cottons.

4612. What should you say of iron, in the shape of bars, and of hardware?—Iron in the shape of bars would sell; I do not know how hardware would sell. The Chinese would like it better in the unmanufactured state, in order that they might manufacture it as they pleased.

4613. Is iron extensively used in China?—Very extensively used.

4614. Where is it principally obtained?—I believe in the country.

4615. Do you know any thing of the cost of its production? —No; but I know that to get any iron wrought up in China will cost you as much as twelve dollars a pecul; that is what I have paid for iron from Canton.

4616. Do you know any thing of the relative cost of their own earthenware with that which might be exported of similar quality from this country?—I do not know. I think the Chinese could produce their own earthenware cheaper than it could be exported from this country.

4617. Has not it been exported from Sincapore?—Yes; I have often had crockery on board. As a depôt-ship I have often received goods, such as woollen goods, crockery-ware, glass, and Birmingham hardware, which have been sent up to the port of Canton and sold.

4618. What was the general quality of the Chinese iron that you saw?—I think it is of very inferior quality; it rusts very soon, and decays.

4619. Do you know in what part of China the manufacture is?—No.

4620. Is there much demand for leather; do they use leather much?—Yes; the opium chests are covered up with old sheepskins, and they were very fond of purchasing them.

4621. Did you sell them well?—Yes, pretty well.

6 May 1830. Captain WILLIAM MAXFIELD called in, and examined.

Captain W. Maxfield.

4622. Are you an officer in the military navy of the East-India Company?—I am on the retired list at present; I have been an officer in the service.

4623. How long did you reside in India?—An uninterrupted period of nearly twenty-five years.

4624. How long is it since you returned?—I returned from India in 1823.

4625. In what capacity did you serve in India besides that immediately connected with your official duties as an officer?—I accompanied the embassy to Synd as Surveyor in 1807 or 1808; I officiated for nine years as Assistant in the Surveyor-general's department, or Deputy Surveyor-general of India in Bengal; I was employed in all the expeditions against the European enemies of my country in India between 1798 and 1823; I commanded two ships on the expeditions to Java and the Isle of France. On the Java expedition I officiated as Deputy Agent-general of Transports also.

4626. Were you employed with the British army in Guzzerat?—I was. I accompanied the army in Guzzerat a short time, and afterwards held a civil situation at Voorbunder, in the province of Guzzerat.

4627. How long did you hold that situation?—I only held the civil situation a few months; I begged to resign it to go on the expedition to the Isle of France.

4628. What parts of India have you visited?—I visited almost all the principal ports of India, Arabia, and Persia, the Red Sea, and the Eastern Archipelago, and the Bay of Bengal.

4629. Did not you assist in the expedition to Egypt?—I was in one of the ships which proceeded on the expedition to Egypt.

4630. Have you ever visited any of the ports of China?—No; I have merely been in the China seas cruizing.

4631. Have you ever paid any considerable attention to the commercial affairs of the East-India Company?—I have paid some attention to it, in consequence of having determined some years ago upon writing a work descriptive of the different branches of the East-India Company's service. I was led to project such a work from observations I had occasion to make in the course of my service; however, I have since relinquished the intention; but that led me to consider it more maturely than I otherwise should have done, as it formed no portion of my professional pursuits.

4632. Do you conceive that there are any improvements that might take place in the points you considered?—Yes; it was the defect in the various branches of the service that led me to the consideration there were many defects in the different branches of the establishment, so evident, that it led me to con-

sider the subject, in order to trace the cause of the defects, and to point out, to the best of my observation, a remedy. 6 May 1830.

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4633. Are the defects you allude to defects in the service with which you were yourself connected?—There were defects evident and monstrous in the corps I belonged to.

4634. Do you confine your observations as to those defects to that corps, or do you apply them to any other parts of the affairs of the East-India Company?—No, I do not confine them to that. I observed defects in efficiency in various branches of the service; and it was that inefficiency that led me to consider the subject, for the purpose of giving a detailed account of it, in order that a remedy might be applied hereafter.

4635. Have you ever been engaged in trade?—Never, upon any occasion.

4636. Have you had any means of becoming acquainted with the East-India Company's commercial shipping?—I have.

4637. What class of ships have the East-India Company been in the habit of employing in their commerce?—Of various classes; latterly greater variety than formerly; I speak of the last twenty-five years; they have some larger ships now than they had at that time. I believe the regular ships employed by the East-India Company are from 700 to 1400 tons; other ships are occasionally engaged in their service, as extra and chartered ships, of a smaller description.

4638. Do you conceive that the large class of vessels of the East-India Company possess any advantage over the class of vessels used by the Americans or the free-traders of this country for the China trade?—I understand that the large class of ships are subject to less expense with reference to the port-duties paid at Canton; but in every other point of view, as far as regards the employment of merchantmen, I should say the smaller class ship is better adapted for many reasons. A small class ship of an inferior description would, in proceeding to the port of Calcutta, take in her cargo at once; a large ship takes in her cargo at Saugur, which is a very considerable way down the river; it is in fact the entrance to the river Hooghley. The consequence of that is, that a great expense is incurred in lading those ships, and at different periods of the year the tide is so rapid that it creates considerable delay as well as expense. The delay in a large ship like that might possibly extend to fifteen days if a boat came down one day too late, for unless she went out on a spring-tide she could not get out until the next spring-tide.

4639. Do you know the port of Canton?—No.

4640. Do you know whether those observations which apply to the river Hooghley apply to the port of Canton?—They must apply to every large ship which cannot go up to the port

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to which she is proceeding for a cargo. If the communication must be made by means of boats, an increased expense must be the consequence; and I suppose it applies partially at Canton, and to all ports situate in rivers.

4641. Do you conceive the East-India Company's ships peculiarly fitted for carrying troops?—A large ship is certainly much better adapted for carrying troops than a smaller ship.

4642. Are not the troops sent out from this country usually accommodated in the orlop deck?—I have heard so.

4643. Have you ever heard of the Company's ships being employed as men-of-war?—I have heard that there have been some of them armed occasionally.

4644. What class of man-of-war of an enemy should you think a Company's China ship of 1300 tons burthen, with 30 guns and 130 men, would be a match for?—It would be difficult to say what she would be a match for. I conceive a ship of 1300 tons, with 130 men, scarcely sufficient men to manage her in action; and if she had any number of guns on board, they may be considered inanimate pieces of iron, without a sufficient number of men to use them. But to say what she would fall a capture to would be merely matter of opinion; but that can be better ascertained by asking what vessels they have beaten off, and when they have been captured.

4645. Do you recollect the action between Admiral Linois and a fleet of East-Indiamen?—I recollect the action. I believe there were sixteen Indiamen of the largest description, with a a number of country ships. The French force consisted of an eighty-four-gun ship, two frigates, two sloops, and a brig; and I conclude that the judicious conduct of Commodore Dance, his firmness, his decision, and his good management, induced the French admiral to form an erroneous estimate of his actual force, which led to a result no less creditable to the British than disgraceful to the French. To judge of the severity of an action, one must look at the result of the killed and wounded. It is stated that the action lasted about forty-five minutes. Now, the killed and wounded on the side of the British is stated at one killed and one wounded; and the French admiral declared in his letter to General Daccain, that he sustained no loss whatever. An Indiaman is a very formidable-looking ship, and is often painted like a first-rate man-of-war; she would at any time be taken, at a considerable distance, for a sixty-four; consequently, if the French were not disposed to fight, they had very good reason for imagining that there were a few sixty-fours out of the sixteen, and they had, consequently, very good reason for running away.

4646. Have you ever known an Indiaman captured by a French privateer?—Yes, I have.

4647. Do you remember the name?—Yes, I recollect the capture of the Kent.

4648. Where was she captured?—In the bay of Bengal.

4649. What was the size of the Kent?—I believe the Kent was an Indiaman of about 800 tons.

4650. How many guns had she?—About thirty guns; I believe she had between 100 and 200 troops on board.

4651. What was the Kent captured by?—By the Confiance.

4652. What was the size of her?—About 300 tons: I happened to be on board her after the peace of Amiens.

4653. Do you know the number of guns she carried?—About sixteen or eighteen guns.

4654. Do you remember any other capture of an Indiaman?—I cannot call to my recollection.

4655. Do you recollect the Triton?—Yes, I do; she was about the same size as the Kent.

4656. What was the Triton captured by?—By a pilot schooner; which pilot schooner was taken by Monsieur Surcouef and a few French prisoners who escaped from Fort William, went down the river in a budgerow, and seized a pilot schooner at the entrance of the river; they then ran out to sea, and falling in with the Triton, I believe off Ganjam, they boarded her, under pretence of piloting her, and made her their prize.

4657. When did that happen?—I do not remember; but I believe the commander and officers of the Kent behaved as bravely, and defended the ship as long as in their power. I never heard the slightest slur thrown upon the conduct of any of the parties, and her capture possibly may be in some measure attributable to the peculiar structure of Indiamen, which carry, very injudiciously, most of their guns below; consequently, in the event of her being boarded, most of the men are below when they ought to be on deck. I think an Indiaman would be much more formidable if, instead of having thirty guns below, she had twenty on deck.

4658. Do you think the sea-risk of an Indiaman, equipped in the usual way, greater or less than that of a merchant-ship equipped in the ordinary way?—I believe at Lloyd's the insurance is precisely equal between a good ship marked A. and any of the East-India ships, therefore in that point of view the risk is considered equal; however, personally, I should say a merchant-ship laden is less safe encumbered with guns than if she was without them, as far as sea-worthiness goes.

4659. Do you ever remember an instance of a vessel being overset on that account?—Yes, I recollect one of the Company's ships of 800 tons, called the Devonshire, overset in my presence in the river Hoogley, in a regular north-wester.

4660. Do you attribute that loss to her having ports?—Yes;

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the north-wester threatened for two or three hours before it came on; the sky was completely blackened; she was taking in cargo, and all her ports were opened; when the north-wester took her she heeled over; before they could shut her ports she filled and went down, and she remained with her mast-heads only above water.

4661. Do you remember any ships being lost in the years 1807 and 1808 between the Cape of Good Hope and the Isle of France?—Yes, I recollect it as a matter of history.

4662. Do you consider that they are more liable to that danger from their having ports and guns than if they had none?—I have stated that as my opinion with respect to merchant ships generally; but perhaps that fact, with respect to this fleet, would be best ascertained by inquiring whether there were not some country ships in company. I have heard that there were some country ships in company, and that none of them were lost.

4663. Do you consider the East-India Company's present mode of chartering ships as the most economical that can be adopted?—Certainly not.

4664. Will you explain the reasons why you are of that opinion?—I think if reference be had to some papers laid before the Court of Proprietors in 1826, a list of which I have here, a list of the shipping will be found which were employed at that time. Some of them have been taken up as high as 26 odd pounds a ton, and subject to an additional £1. 10s. if sent to any intermediate port in India. Now looking at that very list laid before the Court of Proprietors, I find that ships may be had at a much lower rate, and that they have been had by the East-India Company for a single voyage for £12. 5s.

4665. Are the tenders for the Company's ships publicly advertised for?—I believe they are publicly advertised for.

4666. Do you conceive that is the cheapest mode of getting ships furnished to the Company?—I should, provided the advertisements embraced that class of shipping which is to be had in the greatest abundance in the shipping market; but if the advertisement describes ships of which it is well known there are very few, or perhaps none to be had, I conceive the advertisement goes rather to meet the ship than the ship the advertisement. To illustrate the fact, I would put a case hypothetically; suppose the Company advertise for a ship to be built in the Island of Penang, of teak, to bring home a cargo, and at such a date, I put it to the Committee to judge whether there would be likely to be any competition to meet such an advertisement.

4667. Have you made any calculation of the amount which might be saved by a different mode of contracting than now pursued?—Yes; I have a calculation, the result of which exhibits the saving that might be effected; if the ships engaged by the East-India Company, instead of being taken up for six voyages

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and for three voyages, had been engaged for one voyage, at the rate exhibited in the statement laid by the Company before the Court of Proprietors, a saving might be effected per voyage, imagining the whole of the ships to have performed one voyage complete, of no less than £574,028; but if, instead of taking them up for one voyage, at £13. 6s., which is the average of the single voyage ships, they had been obtained at what I conceive they might be, at 10 guineas or £10 per ton, a saving then would have been effected of upwards of £857,823.

4668. What time would the voyage occupy?—Looking at the distance they have to go, and what a free trader could do, and of course, whatever a free trader could do the Company's ships ought to be able to do, they ought to do it in twelve months; but if the East-India Company have generally engaged, as I conceive they have done, a great deal more tonnage than they actually require, of course the expense must be commensurate.

4669. Should you say that, in the present mode of management, there is £700,000 or £800,000 thrown away by the Company in their charge for shipping per annum?—No, I have taken the whole of the Company's tonnage employed at the time the papers were laid before the Court of Proprietors; it includes forty-seven ships then chartered, and they had seven ships of their own. Those two bodies of shipping taken together collectively amounted to 64,000 tons; therefore I have taken the whole of that quantum of tonnage, and said, if the tonnage costs such a sum before they have completed one voyage, and they could procure shipping in the market to do it at £10. 10s., the saving upon that quantity of tonnage will be the amount I have stated.

4670. You have stated, that if the voyage performed by the East-India Company were performed by a free trader, it would be performed in one year out and home?—Unquestionably. But if she had to go to Bombay and be detained, and then to go to Madras, as the Company's ships frequently do, there is no saying what will be the length of the voyage. But they do not do it free of expense, because they frequently pay demurrage for such detention.

4671. What is the average time occupied by the Company in this voyage?—That is a question not easily answered, unless you particularize some particular ship. I have known some of the Company's ships cruising from one side of India to another for a cargo. I have known the Carmarthen and the Herculeum, ships taken up in war time at an enormous rate. I made a voyage out to sea cruising, and came in again, and found the Carmarthen still lying at anchor.

4672. Do you know the longest time occupied by a Company's ship in performing the voyage out and home?—I cannot positively speak to that fact, but I suppose some of them make the voyage in fourteen months.

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4673. Do you think that is about the average?—No, it is impossible to average them, because many causes may operate to their detention.

4674. Are such causes of very long detention very frequent? —I do not imagine that such very long detentions are very frequent; but I imagine that it may be clearly known that a considerable detention occurs, by the papers at the India-House. But I would not press so much upon the delay of the voyage, as upon the ship being sent often half-laden, because the ships that go from Bombay to China are not above half-laden on the Company's account, therefore the remainder of that freight is a dead loss. Perhaps, to illustrate the high price of ships, I need only state that His Majesty has been building in the Company's dock-yard at Bombay seventy-fours, at per ton much less than the freight per ton of the 1200-ton ships in war time; and he has built frigates at a lower rate than some of the ships now taken by the East-India Company sail per ton.

4675. At what rate have they built frigates at Bombay?—The Trincomalee frigate, of 1065 tons, was built for £29. 8*s.* 2*d.* per ton; these are built of teak. The Cornwallis, seventy-four, of 1809 tons, was built at £30. 14*s.* a ton; the Victor, of 382 tons, was built at £23. 9*s.* 7*d.* a ton; the Zebra, of 385 tons, was built at £24. 6*s.* 7*d.* a ton; the Sphinx, of 239 tons, was built at £24. 6*s.* 6*d.* a ton; the Camden, of 240 tons, was built at £25. 3*s.* 10*d.* a ton.

4676. You have compared the price per ton at which the Government build ships in the Company's dock-yard with the rate of freight per ton at which the Company take up their ships; for what purpose do you make that comparison?—It strikes one as a singular fact, that you could build a ship for a great deal less money, by one-third, than you could hire one; and I believe the price of the seventy-fours built at Bombay now to be enormous, from the injudicious manner of getting the timber. I could suggest a mode by which the price of timber would be reduced one-half.

4677. Do the Company ever build at all for commercial purposes?—Yes; the Company have seven ships of their own.

4678. Can you compare the expense at which those ships were built by the Company with the expense of the ships built by the Government at Bombay?—I cannot speak to the rate at which they build their commercial ships, but I can pronounce upon what it cost to build some of their pilot schooners at Bombay; I must speak to that from recollection. I recollect, just before I left Bengal, some pilot schooners were built for the Company's service, which appeared to be at such an enormous expense that it led the Marine Board there to animadvert upon the charge; and the papers happened to come to the office one day when I was there, and I took them up, and on going into the papers, at the request of a gentleman present, I found that

those schooners cost upwards of £50 a ton, while the King was building for £30. It appeared very monstrous, and it induced the Board to write to the Bengal Government, who wrote for an explanation. The explanation sent round by Mr. Meriton, the Superintendent of Bombay, stated that those vessels were so expensive in consequence of being entirely fastened with copper; that the former pilot schooners, of which a calculation had been submitted, previously built for the Bengal Government in Mr. Dundas's time, had been fastened with iron; but it was singular enough, on analyzing the account, it turned out that there was more iron employed in the copper-fastened vessels than there was in those that were built all of iron.

4679. Was that ever explained?—No, I believe there was never any satisfactory explanation given after that.

4680. Is this all matter of recollection, or matter of record? —It is matter of recollection now; but it is deeply impressed on my mind, because I happened to have the papers in my hand, and I recollect the correspondence between the Marine Board at Calcutta and the Government of Bombay upon the subject.

4681. On comparing the expense of the ships engaged in the private trade with the ships engaged in the China trade by the Company, are you aware that the size and the equipment of those ships employed in the Company's service are regulated by law?—No, I am not aware of that fact. By the 58th George III., I see the Act of the 39th and the 50th and the 51st are repealed, and since that it has not been imperative to equip those ships in that manner.

4682. Are you not aware that since that a very great change has been produced in the Company's commercial marine?—I am not aware of that.

4683. When did the repeal take place?—In 1818.

4684. In what year was this transaction?—I think it must have been about 1820 or 1821 that the correspondence respecting pilot schooners took place.

4685. In speaking of the ships which the Company were employing in the year 1826, do you mean to compare them with the ships taken up for single voyages in the year 1830?—I beg to submit to the Committee a statement of all the ships employed by the East-India Company in the year 1826, describing the name, the size of the ship, the rate at which she is taken, and all the particulars. It is from those ships I formed that statement. It is by calculation between the high-freighted ships and the low-freighted ones, in that statement furnished by the India House to me, that I have drawn the comparison, but I have not lost sight of their own ships, seven in number, which are sailing at the rate of about £27 a ton.

[*The witness delivered in the statement, which was read, as follows:*]

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Captain *W. Maxfield.*

No. 1.—A STATEMENT exhibiting the Names, Number, and Tonnage of all Ships now (27th January 1826) Chartered by the East-India Company, of every description, the Rates of Tonnage and Number of Voyages for which they are engaged; as also, the Names of the Owners of such Ships, and the Time or Date when they were engaged.

SHIPS' NAMES.	Tonnage.	Rates of Tonnage. £. s. d.	Number of Voyages.	OWNERS.	Time or Date when engaged.
Herefordshire	1200	21 18 9	6	John Locke	1811, Jan. 11.
Vansittart	1200	20 18 9	6	Joseph Hare	— July 10.
General Kyd	1200	23 6 9	6	James Walker	—
Minerva	976	22 2 10	6	George Palmer	1812, Sept. 2.
Thomas Coutts	1334 (a)	26 0 0	6	Stewart Marjoribanks	1816, March 29.
Duke of York	1327 (a)	26 10 0	6	Stewart Marjoribanks	—
Orwell	1335 (a)	26 9 6	6	Matthew Isacke	—
Dunira	1325 (a)	26 9 0	6	George Palmer	— June 5.
Windsor	1332 (a)	26 5 0	6	George Clay	— Dec. 24.
Kellie Castle	1332 (a)	26 4 0	6	Stewart Erskine	1817, March 18.
Royal George	1333 (a)	25 13 0	6	John Fam Timins	1818, Oct. 14.
Repulse	1334 (a)	25 14 0	6	John Fam Timins	—
Farquharson	1326 (a)	25 15 0	6	John Christ. Lochner	—
Thames	1330 (a)	25 17 0	6	Henry Blanshard	—
Macqueen	1333 (a)	25 7 0	6	John Campbell	1819, Sept. 15.
William Fairlie	1348 (a)	25 7 0	6	Joseph Hare	—
Sir David Scott	1342 (a)	25 7 6	6	Joseph Hare	—
Berwickshire	1332 (a)	25 9 9	6	Stewart Marjoribanks	—
Hythe	1333 (a)	25 9 0	6	Stewart Marjoribanks	—
Duchess of Athol	1330 (a)	25 10 6	6	W. E. Ferrers	—
Bombay	1242 (a)	20 19 0	3	Henry Templer	1822, Nov. 13.
Charles Grant	1246 (a)	20 12 0	3	William Moffat	—
Lowther Castle	1427 (a)	20 12 6	3	John Crosthwait	—
Abercrombie Robinson	1331 (a)	21 0 0	6	Henry Bonham	1823, July 2.

Continued.

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No. 1. *(Continued.)*—A Statement exhibiting the Names, Number, and Tonnage of Ships, &c.

SHIPS' NAMES.	Tonnage.	Rates of Tonnage. £.	s.	d.	Number of Voyages.	OWNERS.	Time or Date when engaged.
Edinburgh	1326 (a)	21	0	0	6	Henry Bonham	1823, July 2.
Lord Lowther	1332 (a)	21	7	0	6	Henry Blanshard	—
Rosa	955 (a)	19	14	0	3	Thomas Milroy	—
Prince Regent	953 (a)	19	17	6	3	Henry Bonham	—
Asia	958 (a)	19	17	6	3	Henry Bonham	—
Marchioness of Ely	952 (a)	19	19	0	3	Henry Bonham	—
Marquis of Huntly	1279 (a)	18	18	0	3	Octavius Wigram	—
Inglis	1298 (a)	18	5	0	3	John M'Taggart	— Sept. 3.
Atlas	1267 (a)	18	5	0	3	Richard Borradaile	1824, Aug. 13.
Bridgewater	1276 (a)	18	4	0	3	Charles Otway Mayne	—
Warren Hastings	1276 (a)	15	7	0	1	James Sims	—
Princess Charlotte of Wales	978 (a)	19	2	0	3	William Sims	—
Marquis Wellington	961 (a)	19	4	0	3	Charles B. Gribble	— Sept. 8.
Warren Hastings	1000 (a)	18	5	0	2	Henry Bonham	—
Coldstream	733	12	5	0	1	John L. Minet	—
Guildford	533	12	19	0	1	John Dawson	1825, March 30.
Albion	479	12	19	0	1	James Mangles	—
Childe Harold	463	12	19	6	1	Charles Weller	—
						Robert Granger	—
Bussorah Merchant	510	4	10	0	These ships were engaged outwards for the voyage to Bengal	Charles Stewart	—
Malcolm	605	5	19	0		R. W. Eyles	—
Lord Hungerford	708	7	0	0		J. L. Heathorn	—
Berwick	453	7	0	0		James Greig	—
Commodore Hayes	678	7	18	0		George F. Young	—
Broxbornebury	720	5	3	0		Alfred Chapman	—
Java	1175	6	2	6		Joseph Hare	—

Continued.

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No. 1. (*Continued.*)—A Statement exhibiting the Names, Number, and Tonnage of Ships, &c.

SHIPS' NAMES.	Tonnage.	Rates of Tonnage. £.	s.	d.	Number of Voyages.	OWNERS.	Time or Date when engaged.
Cambridge	802	4	10	0	These ships were engaged for the voyage outwards to Bombay	George Palmer	1825, March 30.
Lady Kennaway	547	5	0	0		George Joad	—
James Sibbald	666	6	9	0		Henry Blanshard	—
Maitland	634	6	17	6		Fraser, Living, and Co.	—
Orient	596	14	7	0	For one voyage to China and Quebec	S. Marjoribanks and Co.	— May 4.
Roxburgh Castle	599	14	9	0		Wigram and Green	—
Countess of Harcourt	517	15	0	0	For one voyage to China and Halifax	Henry Blanshard	—
Java	1175	10	18	0	To bring cargoes from China, after performing the service for which they were engaged, March 30.	Joseph Hare	— May 25.
Broxbornebury	720	11	8	0		Alfred Chapman	—
Marquis Hastings	452	10	19	0	To bring cargoes from China	George Lyall	—
Henry Porcher	500	10	19	0		S. Marjoribanks and Co.	—
In room of the Kent	1300 (*a*)	21	0	0	.... 6	S. Marjoribanks and Co.	— June 22.
Clyde	451	6	19	6	To carry cargoes to Bengal	Joseph Hare	— July 15.
Eliza	511	6	15	0		W. Abercrombie	—
Marquis Camden	1286 (*a*)	18	18	0	.... 3	Thomas Larkins	— Aug. 17.
Lady Melville	1257 (*a*)	18	19	0	.... 3	Octavius Wigram	—
Castle Huntly	1311 (*a*)	18	19	6	.... 3	J. H. Gledstanes	—
General Harris	1280 (*a*)	18	19	0	.... 3	James Sims	— Aug. 24.

The ships marked thus (*a*) are entitled to an extra freight of £1. 10*s*. per ton, if sent to the Island of Bombay, or to the Continent of India, and from either of those places to China.

January 17th, 1826.

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No. 2.

In January 1826, it appeared by papers laid before the Court of Proprietors that the East-India Company had then engaged in their trade forty-seven ships, *viz.* twenty-four for six voyages, some of which were hired as high as £26. 10*s.* per ton; others for three voyages; and only five for one voyage; the average rate of freight on such five single-voyage ships was only £13. 6*s.* per ton each.

	£.	s.	d.
Now the chartered ships above mentioned, forty-seven in number, collectively amount to about 55,601 tons, and the rate of freight above stated cost the Company per voyage, exclusive of demurrage..............	1,187,778	0	0
The Company have also seven ships of their own, amounting to about 8,897 tons, and which, by the accounts submitted in 1826, average, taking them altogether for the voyage they have performed, about £27. 8*s.* 8*d.* per ton, making the amount of expense per voyage on the seven of ...	244,074	0	0
Or the total charge for freight per voyage........	1,431,852	0	0
It is therefore evident that if the Company, instead of engaging ships as above, for six and three voyages, had hired ships for one voyage at £13. 6*s.* per ton, the amount charged for 64,498 tons of shipping would have been only	857,823	8	0
Effecting a saving per voyage of no less than...	£574,028	12	0

If, however, the Company were desirous to conduct their commerce with India and China in the most profitable manner, they would employ such class of ships as the British market offers in abundance, and their tonnage might be all obtained at £10, or probably £10. 10*s.* per ton, by which means a saving in their charges for tonnage per voyage might be effected to the amount of £750,000 sterling.

The Company, however, by reference to the papers at the India House, showing how the ships engaged by them are laden, appear little disposed to economize in this branch of expense, as those ships, except on the return-voyage from China, are seldom more than two-thirds laden on the Company's account.

4686. Did you mean to say, in a previous part of your evidence, that the amount of £500,000 might be saved between the average rates of the ships in the service of the Company in the year 1826, and what might be now supplied if competition in the market was made use of?—Not quite so; my statement is to draw a comparison of what the Company have done themselves with respect to five ships taken up for single voyages, which ships they got at £13. 6*s.* per ton, and I say that suppose they had taken them all up in that way, such would have been the saving; but my last statement goes to illustrate what might have been done if they had been had at £10, which I consider a sort of market freight.

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4687. Are you not aware that the Company were obliged by the last Act to take up ships for six voyages?—I am aware that there is an Act of Parliament which enjoins, that ships taken up for the trade with India and China shall be taken up for six voyages; but I am also aware that there is an Act which permits the East-India Company to take ships up for one voyage to China; those are the ships that I propose to have taken up.

4688. Did you mean to state that in the year 1826 the Company did take a certain number of ships at £13. 10*s*. per ton?—There are no ships taken up in that statement in 1826, the last is in August 1825. Here are some ships taken up at £10. 19*s*. to proceed to North America; but I imagine they might be had as well for one purpose as the other.

4689. Are you aware that the East-India Company has, during the currency of their present charter, taken up a number of ships for six voyages, at from £21 to £26 per ton, and that, per voyage, a good free-trader might be had from £8 to £10 per ton in the same year?—Of course my answer is but matter of opinion. I cannot decide upon what a free-trader might possibly be had for; but it is pretty notorious: and I should only say, if I had a free-trader to employ myself, I should be very much obliged to the Company to take her for six voyages instead of one, and therefore I should think that is in favour of the six-voyage ship.

4690. It appears by that statement, that the rate of freight at which the Company take up ships for six voyages is higher than that at which they take them up for one voyage?—Unquestionably.

4691. What is the reason of that difference?—I consider it is because there is less competition. There is very little competition in 1200 or 1300-ton ships; there is nobody but the owner of a China ship hardly that can think of tendering, there is nobody else in the market; therefore the competition is confined to a few dozen individuals, and I believe few persons ever build a 1200-ton ship unless they have very good reason to think they have interest enough to get her employed. But, however, to illustrate why the Company have those ships, it will be necessary to go a little farther back into the Company's history. In looking back to the history of the East-India Company, and the style of equipment which seems to have been followed up to the present hour, the reasons which induced such equipment having long since subsided, it may be worth while to remark, that when the ships were first fitted out, and armed with guns and a large proportion of men, the India seas were infested with freebooters and pirates, formidable, and of course their commerce was in danger without such equipment; and at that time, in the early part of the Company's history, the ships fitted out by the East-India Company were in all respects formidable as

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men-of-war. His Majesty's ships were much less efficient than they are at present, and the difference was not so great then between East-Indiamen and men-of-war.

4692. Now the Company take up a different class of ships for single voyages?—Yes, they do.

4693. Is there any distinction between the Act as to the class of ships which they are permitted to take up for six voyages?—I cannot speak as to the precise terms of the Act; but I should imagine that the legislature have no motive in circumscribing the conduct of the Company in the management of their commerce, and that any Acts which have been framed for the government of the Company in taking up their ships have been most likely from the petition of the East-India Company, and that they have in fact framed the Act themselves.

4694. Can you give any reason for the difference of the class of ships which the Company take up for their single voyages?—I am not positively aware of it; I believe the East-India Company prefer large ships from many considerations; they may perhaps consider them more available for other purposes.

4695. It appears, by reference to the Minutes of Evidence taken before the Lords in the year 1821, that it was then stated by Mr. Grant that there were tenders to the East-India Company for forty-eight ships, of the aggregate burthen of 24,350 tons, the highest rate of freight not exceeding £12. 10*s*., the lowest not more than £7; the whole making an average together not exceeding £9. 16*s*. 10*d*. per ton; that the Company obtained the tonnage they required from the quantity offered upon that occasion at the average rate of £8. 4*s*. 8*d*. per ton; do you know what the Company were paying in the year 1821 for ships that were chartered by themselves?—I do not see any ship taken up in 1821; but here is one in 1822, the Bombay; and here is one in September 1819, the Duchess of Athol, 1330 tons, £25. 10*s*.; then here is the Hythe, 1333, taken up about the same time, £25. 9*s*.

4696. Does not part of those high charges arise from the expensive equipment of those ships?—Possibly part of them may arise from that; they are certainly equipped in a superior manner to what ordinary merchantmen are.

4697. Do you see any necessity for that extra equipment?—I should imagine, in a commercial point of view, the question resolves itself into what the underwriters consider to be desirable or not desirable; because if they will insure your ship and cargo at the same rate as the other ship, which is taken up less expensively, you gain nothing as a merchant; if they will not estimate the Company's ships any safer for this additional equipment, there will be no gain in the more expensive equipment.

4698. Is it the fact that the underwriters estimate them both at the same rate?—They do.

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4699. Do you attribute the higher rate of freight at which the Company take up ships for six voyages to the absence of competition?—Mainly.

4700. Is there more competition in cases in which they take up ships for a single voyage?—Undoubtedly.

4701. How is that accounted for?—The ships taken up for single voyages are all of an inferior size.

4702. Then it is not worth a shipbuilder's while to undertake the building of the class of ship which the Company take up for six voyages, unless he is pretty certain of employment for it?—I should imagine they never build one without the intention of their being engaged in the Company's service; I believe they are all built expressly for the service.

4703. Are you not aware that when advertisements are thrown out for tenders for ships to be built for the service, there are always a great many more offered than are required?—I am not aware of the fact.

4704. How then can you state that there is no competition? —It may be the case in some instances, that when advertisements are thrown out there may be some competition; but in the hypothetical case I have put of a ship built at Penang, there could be no competition, and that case was founded on fact.

4705. The question refers to ships built in England; do you, or do you not, know that upon advertisements being thrown out for the hire of ships for six voyages to be built, there are always ten offers for one ship required?—I am not, of course, aware of the number of tenders, because it could not have come within my observation.

4706. How can you state that there is no competition in ships of this nature?—I believe my statement has gone as to ships in existence, not as to building.

4707. Are the contracts for ships for six voyages always contracts for ships to be built?—Of course. In answering the question I only speak from hearsay, but I believe they are often made for ships partially built or building.

4708. Are you acquainted with the Act of 58 Geo. III. c. 83, upon the subject of shipping?—I am cursorily.

4709. Are you aware that the Act prescribes regulations for the advertisement for tenders for hiring ships, and also that it prescribes that ships shall be taken up for not less than six voyages, except in cases of unforeseen exigency, in which case the Company may take them up for one voyage only?—Yes, I am aware of that Act.

4710. Do not the answers you have given respecting the cheaper mode of the East-India Company obtaining freight contemplate the doing away with the Act of Parliament?—Un-

doubtedly; I consider the Act of Parliament as obtained at the request of the East-India Company, probably upon petition to the House of Commons.

4711. Upon what ground do you consider that?—Because I consider it a question in which the state have little interest besides that of enabling the Company to trade to the best advantage. I consider the interests of this country are implicated in the best management of the East-India Company.

4712. You have stated that the East-India Company engage more freight than their employment requires, upon what ground have you made that statement?—In referring to the paper laid before the Court of Proprietors, I see the quantum of cargo put on board, and my own personal experience informs me that the ships formerly, which sailed for Bombay on a voyage to China, were only half-laden on the Company's account; therefore I presume there was more tonnage than they required.

4713. Might it not be the case, that though the voyage from Bombay to China might not have required all the tonnage that was engaged, yet that the Company required the whole tonnage home from China?—It might be so; but I conceive if a ship is to lose a number of tons of cargo, say one-third of her whole tonnage, by such management, it would be economy to let her go away with her whole cargo to make two returns to China; but to meet the contingency the agents of the East-India Company might have let the tonnage from Bombay to China; they need not have lost by it as merchants.

4714. Are you not aware that the tonnage which the Company do not require is let to captains and officers?—I am not aware that it was done during the time I was in India; if it is let, it has been let since the period to which I advert.

4715. Do you conceive that the high rate per ton of the six-voyage ships arises from the small number of those ships in existence, and from the Company being in the hands of the ship-owners?—That certainly is very much my impression; and I believe if reference be had to the history of the East-India Company, it will be found that those ships were some of them owned by the Directors; that was found very objectionable, because it increased the expence of the ships.

4716. How long was that ago?—I cannot say.

4717. Are not some of the ships built and fitted out for the East-India Company owned by near relatives of the Directors?—Yes.

4718. Are not all the ships engaged by the Company taken up by public tender?—The Act enjoins that they shall be.

4719. Have you any reason to believe that the Act is violated?—No.

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4720. Is it not a condition in the Act that the lowest offer shall be the one accepted?—I believe it is.

4721. Would, therefore, the circumstance of a relation of a Director being an offerer be a reason for rejecting the ship, supposing that was the cheapest tender?—I have not implied that it would be.

4722. Is it the fact that the rates paid by the Company are very considerably higher than the rates paid by the fair trader?—Immensely different.

4723. Do you mean to say that the freight of a ship, such as a 1200-ton ship, engaged for warfare and for commerce, is to be compared with the freight of a ship of 500 tons engaged for a single voyage to bring home cargo from India?—My calculation of the comparative saving is made on papers laid before the Court of Proprietors; and I should myself, if I had a ship, conceive myself most fortunate in having it engaged for six voyages certain, in the same manner that I should prefer letting a house for six years certain instead of one.

4724. Do you think a ship-owner would be a prudent man who should make an engagement for the six voyages at the present low rate of freight?—That is a question that would resolve itself into what the man contemplated he could do with his ship; however I think the East-India Company would benefit considerably if they never took up ships for more than one voyage at a time, and if they trusted more to the market abroad for part of their return-freight if they could, because they might very frequently engage ships in India at a much lower rate.

4725. Are you not aware that the Company do engage ships in India to bring home part of their tonnage?—I am aware of it.

4726. Do you think it would be prudent to trust entirely to the chance of tonnage home?—Not entirely.

4727. Do you think that in case of war the supply of tea required for this country could be conveyed with as much safety and regularity in ordinary merchant ships as in the Company's ships, armed as at present?—Undoubtedly.

4728. Will you refer to the Act of the 58th Geo. III. c. 83, cl. 3; does not that clause empower the Directors to take up ships which have performed their contract for six voyages in the service of the Company for any number of voyages which the discretion of the Court of Directors shall think fit?—It does for a limited number of voyages, according to the discretion of the Court of Directors.

4729. Are you able to state whether there are many ships of that description?—No; I dare say there are some.

4730. Are they not, in point of fact, freighted at lower rates

than those engaged for, six voyages?—I believe the ships engaged for the conveyance of tea to North America are some of that class.

4731. Do you not conceive that, in the event of a tender for a certain number of ships, the contractor might very naturally look to the prices which have been paid for the last few years in making his tender?—Yes, I should think so.

4732. Do you conceive that the limitation by law of the Company's dividend to 10½ per cent. per annum operates beneficially or otherwise in conducting their commerce?—I cannot imagine any benefit it confers; and I should rather be induced to believe that when you take away the motive to acquire any advantage, you remove half the inducement for economy.

4733. Were you with the late Sir Stamford Raffles when he formed the settlement at Sincapore in the year 1809?—I was.

4734. What number of inhabitants did you find at Sincapore when you first arrived?—They were principally fishermen; it was a small fishing village.

4735. How long did you continue at Sincapore?—I remained there several months, riding guard.

4736. How soon after the British fleet was erected did the new settlers begin to arrive?—Daily.

4737. Did the Chinese come there?—In great numbers.

4738. Had you considerable intercourse with the Chinese colonists?—Yes, constantly; I met with them in every island of the Eastern Archipelago.

4739. Did you consider them a commercial people?—Peculiarly so.

4740. Do you know any thing of the Chinese junks that navigate those seas?—Yes; I captured two Chinese junks in the Straits of Gaspar coming from Batavia, bound to Amoy; very large junks.

4741. Had they valuable cargoes on board?—Their cargoes were valued by papers we found on board at between £500 and £600 sterling.

4742. Was there any trade at Sincapore when you were first acquainted with it?—Nothing; except a trade in fish and some trifling trade of that sort.

4743. Have you ever perceived any injury to the various establishments of the East-India Company from the influence of their commercial transactions?—I certainly conceive their commercial transactions operate particularly to the injury at least of one of their establishments, and possibly of many others, but certainly to the injury of the Bombay marine.

4744. Were not the Company's military marine sometimes

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put under the orders of their commercial marine?—Constantly, by the Court of Directors' orders.

4745. What was the object of that?—I cannot determine, except that the Court of Directors always exhibited a strong predilection to make their merchant-ships as warlike as possible, and their men-of-war as commercial as possible.

4746. Do you conceive the exorbitant freight paid by the Company to increase the territorial charges of India?—Undoubtedly.

4747. In what way?—Of course the military stores sent out to India for the different establishments, the tonnage of which is very considerable, and which comes under the head of political tonnage, if charged at the rate paid to their ships, instead of the rate at which it might be sent out, augments the expence in the ratio of the freights, and it increases the territorial charges in no small degree.

4748. Do you conceive that the opening of the free trade has been beneficial to India, or the reverse?—Undoubtedly beneficial.

Lunæ, 10° die Maij 1830.

Mr. WILLIAM WALFORD called in, and examined.

10 May 1830. — *Mr. W. Walford.*

4749. You have been an agent for the manufacturers of long ells?—I have.

4750. Have you been engaged long in that business?—All my life.

4751. And your family before you?—And my father and grandfather before me.

4752. Have you been in the habit of selling long ells to the East-India Company?—I have.

4753. And also to the American traders and their agents?—Yes.

4754. What has been the practice of the Americans in purchasing long ells; have they been in the habit of purchasing those which have been rejected by the Company?—I have frequently sold them the rejected goods of the Company.

4755. Do you know why the Company reject those goods?—They have been rejected from various causes; as being light, as being of an inferior quality, narrow sometimes.

4756. Have the Americans paid you a lower price for the articles in consequence of their inferiority?—They have paid a lower price for them.

4757. Does the inferiority of price bear reference to the com-

parative inferiority of quality?—Yes, always bearing that proportion.

4758. Have any other goods been made within your knowledge purposely for the American trade?—I know that I have had goods made, and I know that others have had goods made lighter for them.

4759. Then the Committee is to understand, that the Americans have goods made of an inferior quality than those which the Company export?—To my knowledge they have purchased goods which were made lighter; I do not know that they were made lighter expressly for them, but they were made lighter, and they purchased them.

4760. Was not the Company in the habit formerly of purchasing a superior quality at the price of 50*s.* a piece?—Yes; for many years together they used to purchase a quality called supers, almost the fabric of kerseymere, and they paid a proportion of 35 per cent. higher for them.

4761. Do you know for what cause that has been discontinued? – No, I never heard.

4762. Are you able to state whether the Company was in the habit of purchasing three descriptions of quality, distinguished by a striped, green, and red heading or ferrill, each differing 2*s.* in price the one from the other; the striped being the finest, and the red the lowest quality?—Yes.

4763. Do you know that they now have ceased to send those various sorts, but have entirely confined their purchases to the green heading, the middling quality?—Entirely.

4764. What has been the description principally purchased by the Americans?—They have been distinguished by their green heading, considering that they bought the same quality; the inferior goods which they have purchased have had the same heading.

4765. Are you aware that the Company have made various experiments to purchase other articles, some at a higher price and some at a lower, with a view to push the manufactures of this country into China?—I have known them to make several experiments of that nature. I recollect their purchasing, for two or three years, long ells, costing about one-third less than those green headings; they bought for two or three years to the amount of about 20,000 long ells per annum, of that quality.

4766. As far as your information goes, have they discontinued it?—They have discontinued it, I know.

4767. Have the Company been endeavouring to supply themselves from Yorkshire within your knowledge?—I have known them make two experiments in purchasing long ells in Yorkshire: one year they contracted for 20,000 pieces; and I believe they did not find the contract completed.

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4768. Do you happen to know what was the reason of the failure?—I think the inspector said they did not consider them long ells; they were not a good imitation of the article.

4769. From your knowledge of the dealings of the Company, can you state whether it was the Company's practice to purchase by tender from agents, which latterly has been done by open competition among the manufacturers?—When they first commenced purchasing long ells, they purchased from the agents; the agents used to tender; there were three or four agents only at that time. For the last ten or fifteen years they have sent circulars once a quarter round to the manufacturers themselves; the manufacturers send, individually, answers to those tenders.

4770. Do you believe that any great combination exists among the large manufacturers?—I think that some of the large manufacturers, who possess mills and large capital, have an understanding one with the other; but I consider that is defeated by the numerous smaller ones, who are also tendering at the same time, and who have no connection or understanding with them, and who are opposed to them in fact.

4771. You think there is a sufficient and ample competition?—I think it impossible for a combination to exist among them.

4772. Are not the prices of long ells now very considerably lower than they were known to be before?—Certainly; people used to consider that the price of the green heading used to vary from 33*s*. to 35*s*. for ten to fifteen years together; the Company have lately purchased them between 18*s*. and 19*s*. a piece.

4773. What, in your opinion, is the effect of the Company's system of purchasing goods; do they pay dearer, or are they more cheaply supplied than private merchants by that mode of competition?—I should think they are supplied cheaper; I charge a less commission.

4774. Are not the purchasers always sure of their money from the Company?—Certainly; I charge two and a half per cent. guarantee with a private merchant, where a credit is given, which is not charged on goods sold to the Company; and I also charge a smaller commission on the Company's goods, because of the magnitude of the business.

4775. Have you any means of knowing whether the American merchants pay agent's or broker's commission for buying goods?—I have always understood that they do; I know, at first, some of them did employ agents.

4776. Has any attempt been made to introduce long ells into China through Russia?—I tried it myself once.

4777. Did it succeed?—No, it did not.

4778. Have you any reason to know the cause of the

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failure ?—The gentleman to whose care I entrusted them is now in England; and he said it was the immense distance over land that operated against it, and there was a fabric in Russia very similar to it, nearer the frontiers of China.

4779. Does the Russian tariff affect it in any way ?—I should think it would. I was in conversation with this gentleman on Saturday, who had just received a new Russian tariff, in which there was a considerable augmentation of duties on British manufactures; and he stated that Prussian cloths were actually sent through Russia to China, and that the duties exacted upon them by the Russian government were very much lower than those upon British.

4780. You are aware that the Company have a strict examination of every article that they purchase ?—I am perfectly aware of it.

4781. The effect of which is to establish a character for those exports, which, under the Company's mark, go all through China ?—I have always been told that it was kept up with that view, that a bale of the Company's goods with their mark need not be opened.

4782. Have you been concerned in dyeing for the Company, and also for private merchants ?—I was a partner in a dye-house in the neighbourhood of London, which was employed by the Company.

4783. Have you been in the habit of dyeing for the American traders ?—I have.

4784. Do they always require the same quantity of dye, and the same attention to the article as the Company ?—They were not so particular about the quality of the dye. In some colours they differed. In dyeing scarlets there is what is called a three-quarter scarlet, which is only three-fourths of the depth in colour of the other scarlet. They used to have that, and the price was proportionably lower; we used to charge them three-fourths of the price of the Company's scarlet. There is a great deal of difference in inspecting goods after they are dyed. In inspecting by private merchants, burls and other imperfections were passed over without any minute inspection, all which is done by the Company's inspectors, who are persons employed on purpose.

4785. Do you consider the best cloths to be the West-country cloths, or the Yorkshire manufacture ?—It has been but of late years that the East-India Company have at all adopted the cloths made in Yorkshire, and which were made in imitation of the West-country cloths at first, and they are not considered, I believe, at this moment so good.

4786. Has the Company of late shown any disposition to buy cloths already dyed ?—They have purchased cloths already dyed of the Yorkshire manufacturers.

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4787. Has the proportion rejected been considerable to the proportion received?—I believe the proportion of the rejections has been very large.

4788. Do you know what has become of the rejected cloths of the Company?—I believe they have always been sold at a lower price. I was offered 1,000 pieces last year by one manufacturer, which I refused.

4789. Is not the Company's practice generally to buy cloths in white?—It always used to be their plan.

4790. Are not imperfections in the article better perceived in white than after it has been dyed?—Decidedly; there are imperfections which the colours will hide, and which affect the quality of the cloth; it improves the appearance of the quality.

4791. Is the mode of dyeing not so good in Yorkshire as it is in London?—I do not think the Yorkshire dyeing so good as the London dyeing.

4792. Under the close inspection of the goods by the Company, have you ever found the Company severe and unreasonable in their examination, so as to bear hardly upon the manufacturers?—I do not think I ever did.

4793. Do you consider the Company are desirous of economy in the arrangement of their business?—I have always found them so as long as they could secure a superiority of the articles which they were shipping; they always appeared to direct their attention to economy.

4794. Have you any knowledge of the practice of dyeing long ells purple without cochineal?—I have. When it was first adopted by the Company, I had not at that time one of their shares of dyeing, but I offered to do the whole of their purple long ells in the season of 1806 without cochineal. I undertook at that time a contract for the dyeing of 30,000 long ells without cochineal; that was a saving of £15,000 to the Company on one season.

4795. Was it found to answer?—It has been continued ever since.

4796. Are you aware what quantity of lac has been imported from India in the last ten years?—The average importation of the last three or four years has been from 2,000 to 2,500 chests; before that it was larger.

4797. What has been the effect of this increased importation upon the price?—The price is very much lower than it was.

4798. What is the exportation annually?—I believe from 200 to 300 chests; there is some goes to France direct.

4799. Is not lac an article of export from the East-Indies?—It is a manufacture of the East-Indies.

4800. Where does the cochineal come from?—From South America.

4801. So that the effect has been to encourage an export from India?—The effect has been to exclude the use of cochineal in woollen dyeing throughout England. I recollect purchasing the first lac dye that came to the country; fifteen or twenty chests.

4802. Do you mean that it has effected an entire exclusion, or only partial?—I believe an entire exclusion. The India Company adopted it among the first, and it is used alone now in their manufactures.

4803. You stated you had a share in the Company's dyeing; will you explain what you mean by a share?—It was divided into thirty-six proportions or shares.

4804. In what way did you obtain that share of the Company's dyeing?—They appointed me to that share in the year after I contracted for that large quantity of purple.

4805. Was that by competition among all the dyers?—The other dyers refused to undertake those purples.

4806. Do you know in what way that dyeing was apportioned to the parties who took it; was there an advertisement and a tender?—There was a tender, but no advertisement; the apportionment of the business was made by the Company.

4807. In this case, was there any competition with respect to the dyeing of the cloths?—There was a tender.

4808. In what way were you apprized that there was a certain quantity of cloths to be dyed by the Company?—Because they dyed them annually.

4809. Is there an annual tender for the dyeing of cloths?—There is.

4810. In what way is that made public?—I believe it is by notice sent round from the Buying-office at the India-House to the different dyers.

4811. Is it sent to the dyers only that have a share of the Company's business?—It is sent to them only.

4812. When were you first appointed to a share?—In the year 1807.

4813. Do there still continue to be thirty-six dyeing-houses, among whom the business of the Company is apportioned?—No, I believe it is discontinued. I myself have discontinued it some years, in consequence of the falling off of quantity and the low prices.

4814. Is it not the fact, that dyeing is done much more cheaply in Yorkshire than in London?—It is difficult to say whether it is cheaper, for it is not so well done; the prices are lower, I believe.

4815. Can you state, for instance, what the price for dyeing woollens is in London?—I do not know; I have not turned my attention to it for the last four or five years.

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4816. You stated, that the long ells now purchased by the Company are at much lower prices than they used to be formerly; are the whole of the woollens purchased by the Company lower in price now than they used to be?—I should think they are.

4817. Are you aware that there has been a very considerable falling off in the export of woollens by the Company to China; for example, between 1810 and 1828?—I should think upon cloths there was not a falling off; upon long ells I should think there is.

4818. If the Parliamentary Returns state that in 1810 there were 237,103 pieces exported by the Company, and in 1828 only 123,317, you are not able to account for that difference?—The impression upon my mind was, that the quantity of cloth was rather increased, but that of long ells reduced: but I cannot explain the reason.

4819. You stated that the Americans buy a lighter description of long ells; do you not imagine that they find that more suited to the China market, and therefore export it?—I cannot say.

4820. Are you aware that the export of woollens by the Americans to China has considerably increased?—I should think it had not.

4821. Was the dyeing carried on at a higher or lower rate of profit than that which prevailed in other branches of commercial adventure at the period when you were engaged in it?—I gave it up, because it left little profit.

4822. Are the conditions of contract imposed by the Company so vexatious as to raise the price?—I never considered them vexatious; I always considered them as necessary to preserve the quality of the goods they exported.

4823. To what amount are their rejected cloths depreciated in price, if sold to merchants?—I was offered 1,000 pieces last year that had been rejected; and, as far as my recollection goes, they were offered at a reduction of about five per cent. from the contract price of the Company.

4824. Did you ever experience any inconvenience from having cloths that you had furnished to the Company rejected?—I have had them rejected.

4825. Do they not often reject them for being a little lighter?—They do.

4826. Is not it very difficult to act up to the exact letter of the Company's contract in a large order?—Not at all.

4827. You stated that you had supplied considerable quantities of long ells to the Americans; did you ever supply any to Messrs. Baring and Co.?—I do not recollect that ever I did; I may have sold them to their agent. I believe that when they

first went into the trade, they employed an agent to purchase for them.

4828. Has it been your practice, when you have sold goods on American account, to pack those goods?—No, I never pack them.

4829. Is it consistent with your knowledge what marks were put upon them?—No, I have lost sight of them after they were delivered from my warehouse.

4830. In cases where goods have been returned to you by the East-India Company, on what terms have you been able to part with them?—It depended entirely upon how inferior they were to the standard they ought to have been; it varies from five to ten per cent.; perhaps not more than ten per cent.

4831. Are the conditions imposed by the Company, upon a preparation of those goods under the contracts, such as to render the manufacture of them much more difficult than for a private merchant?—I should think not; I have known one manufacturer have 10,000 long ells looked over or inspected, and not more than four or five pieces rejected.

4832. In making a tender under those contracts of the Company, do you take into the account, in your calculation, the conditions they impose?—I am only the agent of the manufacturers, and they make the tenders; formerly the agents used to make the tenders, and we were never instructed by our manufacturers to make any allowance for that.

4833. As agents for those manufacturers, had you ever to answer the demands of private merchants?—Continually; it was part of my business.

4834. Was there any difference between the tenders you made to private merchants and those to the Company, in point of price?—There was no material difference. We would rather sell to the Company, and perhaps would sell cheaper to them than to private merchants, because we were more secure of our money; and because at a private merchant's, where credit is given, I charge two and a half per cent. for a guarantee.

4835. Then the conditions imposed by the Company, you conceive, have no effect in raising the price of the manufactures?—I never heard them complained of, till within these four or five years.

4836. Is it the custom of the trade to sell the rejected articles at their cost in the white state, supposing them to be dyed?—The practice of the Company, until within these last four or five years, has been to buy the whole of their goods in the white state; the purchasing in the dyed state has been only lately introduced by them. What sacrifice they might make on those dyed goods that were rejected, I do not know. I know

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that 1,000 cloths that were offered to me last year, were offered at a reduction of about five per cent.'; they were dyed, and they were scarlets and purples, and the value of the dyeing constituted a great deal more than the five per cent.

4837. Are you aware that, with the exception of broad cloths, there is a falling off in every article of woollens in the year 1828, as compared with 1810?—I have no means of referring to dates; I am aware that the Company's export of long ells now is less than it was in former years.

4838. Are you aware that in some years the export of long ells on American account has increased?—I am not aware of that, nor do I think it has increased in the proportion in which the Company's has fallen off. I think that, last year, the American exports decreased.

Mr. WILLIAM IRELAND, called in, and examined.

Mr. W. Ireland.

4839. You are a partner in the house of William Ireland and Company?—I am.

4840. Where do you carry on your business?—In London in Aldermanbury, and in Gloucestershire at Chalford, near Stroud.

4841. What description of cloths do you and your partners chiefly manufacture?—Principally cloths adapted for the China market.

4842. What do you call them?—There are three descriptions; the first are Spanish stripes, the second supers, and the third worsters.

4843. What is the mode of supplying the East-India Company?—By contract.

4844. Is it under contract offered to your house only, or to the public?—To all the respectable manufacturers either in Yorkshire or Gloucestershire. I have a circular which I received from the Company for a contract, inviting tenders from all the manufacturers.

[*The witness produced the same.*]

4845. Is it sent to all the respectable manufacturers?—I never knew it refused to any respectable manufacturer who made an application for it.

4846. How long have you been in the habit of supplying cloths to the Company?—Eleven years in my own firm: but I was seven years with Messrs. Fryer and Telford.

4847. In this circular are there any clauses more or less objectionable in your opinion?—I do not apprehend there are; at least I have not had any complaint from my connections respecting the clauses.

4848. Particularly with reference to the 3d, 5th, 7th, 8th,

and 11th; do you apprehend they are essential to protect the Company from being imposed upon, and put to great inconveniences?—I think they are; the third clause respects the weight and length of the cloth.

4849. All of which is ascertained by overlookers appointed by the Company?—It is.

4850. Do you consider that they are judges of cloth?—I consider them very good judges of cloth.

4851. Do they ever reject without proper cause, in your opinion?—I think there is frequently cause for a great many more rejections than there are.

4852. In the event of a trifling difference in quality being found, is it the practice of the Company to take it, giving the turn to the manufacturer?—It has been the practice with me and my connections.

4853. In the event of any cloths being rejected by the Company, how have you disposed of them?—I think the first serious objections were in 1819 and 1820; they were Spanish stripes; and I disposed of them to Mr. Henry Hughes, who afterwards disposed of them to Mr. Everett for shipping through the Americans to China.

4854. Were they inferior in quality?—They were inferior in quality; and we sold them at a considerable loss.

4855. At what loss?—The contract price of the Company at that time was £13. 15*s*. per piece; and I sold the rejected cloths to Mr. Everett and Mr. Hughes at that period at £11. 14*s*., which was £2. 1*s*. per piece loss upon them.

4856. Were those dyed cloths or white?—They were white. The Company always purchased in white then; it is only very recently they have purchased dyed cloths; the last year was the first season they have purchased the whole quantity of Spanish stripes dyed.

4857. When you were in the habit of offering goods to the Company, did the conditions of the contract impose upon you the necessity of putting an extra price upon the article?—I should conceive not; at all events, we never lay on an extra price for them. I always go down previous to the contract taking place, and consult with my partners, because we are guided entirely by the state of the wool market; I have never known that we have laid on any thing for extra risk, in consequence of the Company's conditions.

4858. Is not the mode of payment by the Company in ready money at a certain time after delivery?—We consider the Company's payment preferable to any other, because we can calculate to an hour on getting the money, provided we fulfil our part of the contract.

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4859. Do you find that those contracts in any way give you more trouble in selling to the Company than in selling to individuals?—I do not; in fact I had a very recent instance to the contrary, by the last fleet that went out to China; I had a great deal more difficulty in supplying 200 ends of cloth to an individual that shipped them for one of the captains, than I ever had even with the Company.

4860. Do you know whether the Company have increased or decreased their orders of late?—When I first commenced the business in 1819, the Company shipped 7,000 pieces, which is 14,000 ends; they used to buy them at that period in whole cloths, now they buy them in ends; they have increased their purchase of Spanish striped cloths to 24,000 ends; they first increased about the year 1824 to 10,000 pieces, and since that period they have increased to 12,000 pieces. There was also an increase of the supers at that period: there were 2,000 pieces of supers contracted for; there are now 3,000 contracted for, which go to China.

4861. All those articles have been supplied from Gloucestershire?—The greater part of those articles were supplied from Gloucestershire; some few from the Yorkshire manufactories, but very few.

4862. Has not this increase of the Company's exports been very beneficial to the labouring classes and the manufacturers? —I can only speak as to my own district. Had it not been for the Company's trade last winter, I am perfectly satisfied that some hundreds of our people must have starved, for the poor's rate would not have supported them at all. I am speaking of the parish of Bisley.

4863. Have you found the Company arbitrary in their dealings with you?—I have had no reason to complain of the Company. I find them just in their dealings; and I am satisfied that if we had not the restrictions in the circulars we have, the Company would be very much imposed upon.

4864. What restrictions do you mean?—I mean with respect to weight and length.

4865. You have stated that the ultimate disposition of the Company's rejected broad cloths was for the American market? —It was, some few years ago. About fifteen years ago, there was a demand for this description of cloths for pelisses; they were bought up by the job-houses, who supplied Cranbourn-alley and that neighbourhood; but recently that demand has been done away with, and better cloth is made use of.

4866. Is it within your knowledge that when the Company's circulars are issued, the manufacturers meet together to fix the price at which to tender?—Such a thing has been attempted some years ago, but the manufacturers are of such a jealous disposition that it is impossible for them ever to unite together;

and so particular are we, that I generally leave London on the night on which we make the tender, and I am closeted with my partners all the day. We never could combine together.

4867. Is it your opinion, that the Company buy under an open competition at the lowest possible price?—I am satisfied of it. I have been cut out of supplying many hundred pieces of 34 yards, by 1*d.* or 2*d.* per piece of cloth.

4868. You have stated that there has been an increase in the export on the part of the Company of Spanish stripes and supers; are you aware whether there has been a decrease or an increase in their export of other species of woollen goods?—I am not.

4869. Are you not aware that the quantity exported by the Company of long ells, camlets, and worleys, has considerably decreased during that period?—I am not.

4870. You reside in London?—I do.

4871. Can you state what number of the fine woollen manufacturers in Gloucestershire make tender to the East-India Company for their contracts?—A great many of them do. Messrs. Stanton and Sons tender regularly; Messrs. Macleans, of Stanley Mill, tender regularly.

4872. Do the parties that make these tenders to the East-India Company carry on an extensive business for other parties?—They do, very extensive. I should think Messrs. Stantons have the best business in fine cloths in the county of Gloucester.

4873. Can superfine or Spanish striped cloths be dyed in Gloucestershire at as low a price as they can in London?—Lower, I conceive.

4874. Do you know whether they can dye as cheap in Gloucestershire as they can in Yorkshire?—I think quite as cheap, because the Yorkshire people competed with us, and we have beaten them out of the market. The last contract they did not get a single yard of it; and one of the principal Yorkshire contractors, whom I met this morning, told me that he should not compete at all the next contract.

4875. In answer to question 2966, Mr. Dixon stated that the London price for dyed Spanish striped cloths, purple, is 2*s.* 4*d.* per yard, and in Yorkshire 1*s.* 6*d.*; can you inform the Committee whether to your knowledge that statement is correct or no?—I cannot; but I can state what the public dyers in Gloucestershire charge for dyeing Spanish striped cloths purple; their price is 44*s.* for dyeing a piece of purple of 34 yards, less five per cent., which reduces it to 42*s.*; and it appears by Mr. Dixon's evidence that the Yorkshire price is 51*s.*

4876. Will you look at the statement in Mr. Dixon's evidence in page 310; should you have any objection to make out a statement like that of your prices?—I have no objection to give the public dyers' prices in Gloucestershire, but I could not give

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you my own, because it is blended with the state of the manufacture. I believe we are the only house that dye the whole of our colours, and finish the whole of our cloth upon our own premises; for when I found that the Company had altered their system, I went down and engaged a London dyer to reside there for the purpose of dyeing.

4877. Is every cloth you supply the Company with dyed?—It is.

4878. Upon what occasion was it you took that step?—When the Company commenced buying all their cloths dyed and finished.

4879. Are you speaking of cloth that is dyed in the wool or dyed in the piece?—I am speaking of cloth that is dyed in the piece.

4880. Will you look at the statement given by Mr. Dixon, of the Yorkshire prices, and make any observation which occurs to you respecting it?—In the first place, I observe that the first colour mentioned here is higher by 9*s.* a piece than the Gloucestershire price. For the black also, we pay 6*s.* a piece for dyeing blacks, and I see the Yorkshire price is 11*s.* 4*d.*

4881. Are you aware of the fact that the woollen trade is to a certain degree leaving Gloucestershire, and going to Yorkshire?—Some of the fine trade is, but a portion of it has come back again. With respect to the scarlet, the Gloucestershire price is 37*s.*, and I find that the Yorkshire price is 48*s.* 2*d.*

4882. Will you prepare a statement of the Gloucestershire prices of dyeing, for the information of the Committee, similar to that furnished by Mr. Dixon of the Yorkshire prices?—I will.

[*The witness delivered in the following papers, which were read, as follows:*]

A STATEMENT of Prices for Dyeing 100 Pieces of Spanish Stripe Cloths, of thirty-four yards each, in Gloucestershire, with the Proportions of each Colour shipped by the East-India Company, by the Gloucestershire Dyers.

		£.	s.	d.		£.	s.	d.
28	Purple ....at	2	4	0	each	61	12	0
25	Black	0	6	0		7	10	0
15	Scarlet (Lac)	1	17	0		27	15	0
8	Brown	1	17	0		14	16	0
14	Mazarine Blue	1	10	0		21	0	0
7	Light Blue..............	1	9	0		10	3	0
1	Ash	1	0	0		1	0	0
1	Green	1	10	0		1	10	0
1	Yellow..................	1	0	0		1	0	0
100	Pieces of Cloth .... £					146	6	0
	Deduct five per cent. discount for two months' bill					7	6	0
	Average per piece £1. 7*s.* 8¼*d.* £					139	0	0

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A STATEMENT of Mr. A. Dixon's Prices for Dyeing 100 Pieces of Spanish Stripe Cloths in Yorkshire, with the Proportions of each Colour shipped in every 100 Cloths of thirty-four yards long, by the East-India Company.

		£.	s.	d.		£.	s.	d.
28	Purple .... at	2	11	0	each	71	8	0
25	Black	0	11	4		14	3	4
15	Scarlet (Lac)	2	8	2		36	2	6
8	Brown..................	1	5	6		10	4	0
14	Mazarine Blue	1	2	8		15	17	4
7	Light Blue	1	2	8		7	18	8
1	Ash	0	11	4		0	11	4
1	Green	0	17	[illegible]		0	17	0
1	Yellow..................	0	14	[illegible]		0	14	0
100	Pieces of Cloth, averaging ..	£1	10	0¾		157	16	2

WM. IRELAND.

W. Astell, Esq. M.P.

WILLIAM ASTELL, Esq. a Member of the Committee, delivered in the following Paper, which was read, as follows:

CONTRAST of the Prices which Mr. Abraham Dixon, in his Evidence before the Committee of the House of Commons on East-India Affairs, (9th March 1830) p. 310, states to be paid to the London Dyers for the East-India Company's Assortment of Superfine Spanish Stripes; and the last Prices paid by the Company for Dyeing to the London Dyers.

Proportion in 100.	———	Mr. Dixon.			Dyeing and Setting. East-India Company's Prices, 20th Feb. 1828, being the last London Contract.		
		£.	s.	d.	£.	s.	d.
28	Purple, per whole cloth of thirty-four yards	3	19	0	2	11	9
25	Black....................	0	19	0	1	1	9
15	Lac Scarlet	3	11	6	3	4	7
14	Mazarine Blue............	2	11	6	2	13	9
8	Dark Brown..............	1	9	0	2	5	9
7	Light Blue	1	9	0	2	3	9
1	Ash colour...............	0	19	0	1	5	9
1	Saxon Green	not stated.			2	0	9
1	Deep Yellow	not stated.			1	13	9
100 Cloths.							

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J. C. Melvill, Esq.

JAMES COSMO MELVILL, Esq. again called in, and further examined.

4883. In your answer to question 4298, in p. 593, you say, "that combining ordinary usage, as respects interest being included in the invoice charges, with the parliamentary enactment, the upset price of the tea should include interest from the time of the first expenditure to the time when the sale proceeds of the teas are realized." This may be the practice and the mode of computation pursued by a private merchant; but will you explain in what way it seems to you that the parliamentary enactment, to which you have referred, gives power to the Company to charge interest prior to the arrival of the tea in England?—The parliamentary enactment authorizes the Company to charge prime cost and the charges of importation. If interest were not included up to the period of arrival, I apprehend it would not be the prime cost and charges, but prime cost and charges minus interest, because the public in that case would have the free use of the Company's capital, which I never can believe was intended.

4884. In answer to question 4300, p. 594, you say, "that the charge which the Company make of interest under the Commutation Act is for eighteen months; and you have ascertained that the average period that the tea is in warehouse here is twenty months." Why does the Company resort to a mode of charging interest which, according to your statement, is less advantageous than if you charged interest for the period that the tea is in warehouse here; and the Committee put this question the more especially, because that which you state would be the most advantageous for the Company would, it is evident, be in stricter conformity with the wording of the Commutation Act?—At the period that the Company determine to put up the tea to sale, they cannot possibly say how long all of it will remain in warehouse; it therefore is necessary that they should proceed upon estimate, and my wish was to inform the Committee that I had ascertained that the estimate which the Company so make is accurate, and within bounds.

4885. When did you ascertain that?—Previously to my last examination before this Committee.

4886. Did your ever ascertain, during any part of the prior years when the estimate was formed, that the number of months was longer than the estimate you have taken?—The period of eighteen months, which the Company charge, is necessarily that which must always occur, as the Company's ships arrive only at one period of the year; and the Act of Parliament requires that there should at least (for it is a minimum) be always a year's consumption on hand. It is clear, therefore, that the actual period must be eighteen months, or the Act would be violated.

4887. With reference to the present market price of silver,

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you say, in answer to question 4305, page 594, "that upon an average of all the years since 1814-15, there is only a fractional difference between the value of the rupee at the market price and at the old standard." This may be; but would it not have been a more correct and a more strictly mercantile mode of proceeding, to have considered what was the market price of silver each separate year, and not what it was upon the average of years?—Possibly it might have been; though I would explain that the standard of 5*s.* 2*d.* still existed in 1817, and that so late as 1819, Mr. Tooke, in his evidence before a Committee of the House of Commons, stated distinctly that 5*s.* 2*d.* was then the standard.

4888. You say in answer to question 4308, page 595, that "the old rate of 6*s.* 8*d.* per tale was recognized in 1781, in a paper appended to the Ninth Report of the Select Committee of the House of Commons on East-India Affairs;" the Committee wish to ask you whether that rate, having been so recognized in 1781, is the Company's justification for continuing, whatever may be the exchange at Canton upon England, so to rate the tale, that is, for continuing to rate the tale at 6*s.* 8*d.*?—That valuation of 6*s.* 8*d.* per tale is not merely recognized in the report of 1781, but it is also recognized by the Select Committee on East-India Affairs in their Fourth Report in 1812, in which they state "the common valuation of the tale of 6*s.* 8*d.* will be assumed in the sequel to this Report;" and I would further state, that it is convenient and necessary in affairs so extensive and complicated as the Company's are, that they should in all their accounts observe fixed rates of exchange; the only question, I conceive, that can arise, is whether the rates which they so observe are fair as medium rates. If they are not so, or if through a change in circumstances they have ceased to be so, then I think it must be admitted that the Company ought to alter them. When a revolution took place in the Indian exchanges, in consequence of the opening of the trade, the Court of Directors were anxious to alter their fixed rates of exchange. The Board of Commissioners for the Affairs of India were of a different opinion, and they would not allow the rates to be altered. Hence it became necessary for the Court of Directors to continue the old rate of 6*s.* 8*d.* in the China accounts, because the repayments by the Indian territory to the Company's commerce *via* China were made at the rates which the Board controlled.

4889. In answer to question 4313, page 597, you stated "that the territory obtains great advantage by remitting the three millions sterling annually at the Board rates of exchange, 2*s.* 3*d.* ·84 per sicca rupee;" but in answer to question 4307, page 595, you state "that the Company have never acquiesced in the rate of exchange prescribed by the Board;" will you reconcile what seems to be a contradiction. In one answer you attribute great advantage to the Indian territory with respect to

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the Board's rates of exchange, whereas in a preceding answer you state the Company's hostility to those rates; and you observe, that had the Company sanctioned those rates in computing the cost of tea, the raising of the upset price of tea would be the consequence?—The Court's objection to the rates of exchange prescribed by the Board was one of account. The only difference by the adoption of the Court's plan, in lieu of that prescribed by the Board, would have been, that the territory, instead of getting an advantage in exchange, would have got the same amount advantage directly from the surplus commercial profits of the Company under the Act of the 53d; the territory, therefore, would have been in the same position as it is now. It would only have been a change in account.

4890. In answer to question 4324, page 598, you state that "the tale has been placed in China, by consignment of British manufactures, at 7*s.*·49*d.*" would it be in your power to let the Committee know in detail how you have come to this conclusion?—If the Committee wish for such an account, that can of course be produced.

4891. Supposing the adventure made by the Company in manufactured goods from England, or from India, upon which there should be a loss of fifty per cent., should you feel the Act of Parliament was not strained by the charging the tale at a rate which would cover that loss?—I have stated in my last examination, that such a loss would properly affect the value of the tale, as I regard all the consignments as remittances.

4892. In answer to question 4338, page 601, you have stated, "that the necessity of transferring from India to England about £4,000,000 sterling per annum is a circumstance presenting a formidable obstacle to the growth of a profitable export trade from this country either to India or to China;" is it then your opinion, that neither China nor India will ever become extensive markets for British manufactures?—I could not presume to say so at any period; but more especially at a period like the present, when the commerce of nations is so much better understood than it used to be. What I wished to impress upon the Committee was, a sense of the difficulty to which any thing like a free trade to India or to China must be subject, from the obligation under which India is placed, of annually effecting a large remittance, irrespective of returns in the ordinary course of trade.

4893. Do you consider that the same difficulty would apply were a like remittance to be due from any one part of this empire to another?—I conceive a similar difficulty would apply to the case of trade between this country and another; that if this country had to make a large payment to another country, it would be the same kind of difficulty, differing only in degree.

4894. Would it apply to the different parts of the same

empire?—It does not seem to me that the cases are quite similar.

4895. Do you not think that in the event of a free trade between this country and China, and thus putting an end to the Company's monopoly, the active enterprise and eager competition of private individuals would by degrees lead to the introduction into China of our manufactures upon a far more extended scale than exists at present?—I apprehend that nobody would send goods to India or to China, but with a view to obtain returns for them. I think that the capacity of those countries to yield returns to a profitable market is checked by the circumstance I have mentioned respecting remittances; but no doubt if the demands upon India could be reduced, or if the marketable returns from India could be increased, there would be greater facility for the sale of British manufactures.

4896. You have referred to the demands upon India for remittance to England; and although the Committee are now engaged in the China trade, this so blends India and China together, that the Committee wish to ask you, whether you do not think that the resources of India might be vastly enlarged if British capital and British skill were applied to India more extensively than is the case at present?—I hardly feel myself competent to give an opinion upon a point of that kind. It certainly seems to be desirable, as far as possible, that the resources of India should be developed to the utmost extent that they can be, consistent with the securities and interests of the native inhabitants, towards whom it appears to me we owe an obligation paramount to every other consideration involved in this discussion.

4897. Referring to what you have said respecting the remittances from India, would not those remittances be effected with as much ease and advantage through private trade as through the Company's trade?—I would state as a matter of fact, that, upon a comparison of the Company's remittances since 1814 with the rates of exchange prevalent in India for bills upon England, the Company have gained a penny per rupee by effecting their remittances through trade as compared with the rate of private bills. Were it practicable to effect so large a remittance through private trade, the Committee will see that the private trader must cover his expense in making that remittance, and that he could never afford to give the Indian territory the advantage that the Company's profits now give to it of 2*s*. 3*d*. ·84 per sicca rupee.

4898. From the advantages derivable to the British public by the results of free trade, might not means be found of enabling the Company to pay in England the India territorial charges?—It will be for the wisdom of Parliament to consider whether the *possible* advantage to this country of an open trade with China would compensate for the *certain* cost of making up

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to India the losses which it would sustain by the trade being thrown open.

4899. What would it lose?—It will lose that which it now gets from the Company's commerce in the shape of exchange, and in the shape of direct contribution. The real deficiency of the Indian territory to pay the territorial charges, since 1814, has, to the best of my recollection, amounted to about £20,000,000 sterling; but the debt which the territory has been obliged to incur in consequence falls short of that by about £7,000,000 sterling, which has been made up by the commerce.

4900. Do you mean to say that £7,000,000 have been gained in commerce by the East-India Company since 1814?—Upwards of £12,000,000, computing the accounts at the mercantile interest of the Board's rates of exchange; which latter rates are observed in the Company's accounts of profit and loss; so that what the territory gained in the shape of exchange does not appear in that account as profit, but merges in the prime cost.

4901. Do you mean that the Company has applied £12,000,000 of its commercial profits to territorial payments, besides the difference which is gained by the territory in the Board's exchange?—No, including that. I mean, that if the Company had been completely separated from the Indian territory, and had acted only as merchants, under the provisions of the law applicable to them in that character, they would now have been £12,000,000 richer than they are, and the territory would have been so much poorer.

4902. Of that £12,000,000, can you state what portion is China trade?—I can only refer the Committee to the accounts they have upon their table.

4903. From all that you have stated in the evidence you have given, is not the conclusion inevitable that the public of this country are taxed for India; the only question being whether the amount shall be obtained by the East-India Company through their monopoly, or by the Chancellor of the Exchequer directly?—I really am not prepared to say that the public of this country are taxed for India; but I am prepared to say that India does essentially depend upon the profits of the China trade as administered by the Company.

4904. If the trade were thrown open, of course it would still be competent to the Company to trade with China; and if the possession of large capital and of all the other immense advantages arising from establishments already formed, and from influence in China obtained and fixed when there were no competitors; if all those and other advantages could not enable the Company to struggle successfully with private traders, is it not an obvious inference that the existing monopoly cannot fail to be injurious to the British empire?—I think that the Company's

trading and individuals trading in competition might have effects mutually injurious without the country's being benefited. The Company might undoubtedly still trade, and those advantages which are enumerated in the question would afford them an opportunity, I conceive, of trading successfully in competition with private merchants; but of course their profits, if they had competitors, would be much less than they are now, and that decrease of profit would *pro tanto* prevent their ministering to the aid of the Indian territory.

4905. Would not that decrease of profit be for the benefit of the consumer of the tea in England?—If he got the tea cheaper.

4906. Would he not do so?—I am not prepared to say that he would, as that depends upon considerations applicable to the trade in China as well as in England.

4907. In the statement which Mr. Rickards delivered in of the profits of the Company's tea trade, and in your correction of it, in page 613, the Committee observe that the tale, in the computation of the prime cost of the tea, has been taken at 6*s.* 8*d.*; does not that include the loss at the Board's rate?—Yes, it does. The difference between the Board's and the mercantile rates forms a further deduction to be made from Mr. Rickards's result, if the object be to ascertain the real outturn of the tea trade in a commercial point of view.

4908. It has been stated to this Committee by Mr. Rickards, in answer to question 3790*a*, that the balance deficient of the Company has increased, since 1815, from £2,611,311 to £10,102,812; is that statement correct?—An examination of the accounts to which Mr. Rickards refers will show that they are not confined to the Company's commerce, but that they embrace the whole of their affairs, territorial and commercial. It has never been denied that the debt of India has been increased considerably since 1814.

4909. In your answer to question 4375, page 608, you stated that in Mr. Rickards's account of the profits of the tea trade he has included in his charges several items already included in the invoice amount; will you specify what those charges are, and can you, if called upon, prove your statement by the production of an account?—Undoubtedly. The invoice cost of the tea comprises the freight of the outward consignments, and also what are called "the proportional charges" upon the homeward, with all the expenses incurred in China, and paid there.

4910. Will you explain the cause of the variation in the amount of freight and demurrage?—Mr. Rickards has taken the whole of the commercial freight disbursed within the year; whereas I have taken only that portion of the commercial freight which applies to the tea brought home, and included in Mr. Rickards's account. Mr. Rickards includes the freight applica-

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4911. Will you furnish an account of the freight and other charges laid on the outward goods which ought not to be included in the account, but which Mr. Rickards, as you suppose, has included, for the same years to which Mr. Rickards's statement relates?—Such an account can be prepared, if the Committee desire it.

4912. Will you also explain why you credit the account with the sale to the amount of 27,975,041 lbs., while Mr. Rickards states it as only 25,492,001 lbs.?—The amount of 27,975,041 lbs is the quantity of tea stated on the other side as having been imported, deducting only the Company's expenditure in wastage.

4913. The Committee observe, that you have re-credited the same charges for interest; will you explain why you have so done, for this item causes a material difference between the result of your statement and that of Mr. Rickards?—Mr. Rickards's account is professedly framed for the purpose of showing that there has not been a sufficient profit from the tea trade to pay the interest upon the bonds and the dividends to the proprietors. If that had not been his object, I could have understood how, looking at the Company's accounts merely as the accounts of merchants, he would consider that the interest was a proper charge; but as it is interest upon the Company's own capital, it is quite clear, that, if exhibited as a charge, it must, in some way or other, be re-credited, and go to make a part of the fund from which the Company's dividend is paid, because that dividend must comprise interest for the use of the capital. Whatever may be the best mode, upon strictly mercantile principles, of making out an account of profit and loss, I apprehend that in the conduct of the Company's trade they unite the characters of capitalists, of traders, and of underwriters; and that in each of those characters they receive a gain of some sort. As capitalists, they receive the gain which every man receives from lending out his money at interest; as traders, they receive the profits of trade, deducting interest; and as underwriters, they receive the profits of their underwriting account. But when they are called upon to state their accounts of profit and loss, they are bound, I conceive, to state them in reference to the provisions of the Legislature, which appropriate to specific objects the whole of the Company's funds, from whatsoever source received. If therefore the Company stated interest as a charge, and did not re-credit it, their account would show a balance to that extent short of the fund which the law has declared to be appropriable.

4914. Have the Company any capital which is available for the purposes of trade?—Undoubtedly. I will read to the Com-

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mittee a question put to the Accountant-general of the Company in the Committee of the House of Lords, and his answer. "Are you enabled to state the total amount of the commercial capital of the East-India Company, appropriated to territorial purposes under the Act of 53d George III.?—The total commercial capital of the Company abroad and at home, on the 1st of May 1828 as to England, and the 1st of May 1827 as to India, was £21,731,869."

4915. How does that appear?—The particulars are stated in the accounts of stock per computation, which are before this Committee.

4916. Does that include the fixed capital as well as the floating capital?—It does.

4917. Upon that capital, as so stated, what is the clear mercantile profit?—I apprehend that can only be shown by the aggregate statement of the Company's commercial gains, including not merely their profits in trade, but also the interest of their funded property, and of the debt due to them by the Indian territory.

4918. Upon this capital of £21,731,869, what is the clear net profit derived from all the trade of the Company in its different branches?—Such an account can be made out; but I presume, if the Committee wish to have it upon mercantile principles, we must take the mercantile rate of exchange, which we have never observed.

4919. Is the profit of the trade with India and China that derived from the employment of their commercial capital of £21,731,869?—No; because all their commercial capital is not employed in that way. A part of their commercial capital is in the funds in the East-India annuities, which produces a considerable income; a further part is on loan to the territory.

4920. Did not the accountant mean, in the statement you have read, the capital which the Company possess in their commercial character?—Clearly.

4921. In the statement of profit and loss on the trade between this country and India, it appears that in the year 1828-9 there was a loss of £531,812; from what fund is that loss provided?—That is the result at the Board's rates. The question refers to the India trade, the accounts of which have not come under my notice.

4922. By an account before the Committee it appears that the net loss upon the trade from India to China, in the year 1828-9, was £70,470, and upon the trade between India and England £531,812; and further it appears that the net profit of the trade between England and China for the same year was £741,089, and the net profit to the North American colonies £13,796, making together £754,855; now in the calculation of

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this profit upon the trade from China was allowance made for the loss in the other two branches of trade, India and China and India and England, or ought that loss to be deducted from the net profit of the trade with China?—Allowance is made in the computation of the prime cost for so much of that loss as respects the outward trade from England and India to China, but it has nothing to do with the trade from England to India.

4923. Then, in order to show the general account of profit and loss, the Company ought to deduct profit and loss upon one trade from the profit on the other?—Except that, upon mercantile principles, there would be a large set-off upon that account by the difference between the Board's and the real rates of exchange.

4924. The Board's rates were settled in the year 1814?—They were.

4925. Are you not aware that for some years after that period the exchange was considerably higher than the rate at which the Board had settled it?—It was; but all computations of difference have been made upon the principle of debiting the commerce with the advantage in the years in which the Board's rates were lower, and the territory with that in which they were higher than the mercantile rates.

4926. Do you remember for what years the rate of exchange of that period was actually higher than the Board had fixed it at?—I think from 1814-15 up to 1819-20. In 1814-15 the rate was 2*s.* 7½*d.* per sicca rupee.

4927. In what year was it highest?—In 1816-17 and in 1818-19.

4928. Since when is it that the rate of exchange has fallen below the Board's rate?—1820-21 was the first year. It was then 2*s.* 2*d.* ·77.

4929. During the time the rate of exchange was higher than the Board's rate, were the Company deriving an advantage from their commerce?—They were; but in the computation of the result of the exchange transactions between the two branches, the commerce has been debited with the difference of exchange for the years in which the mercantile rates exceeded those prescribed by the Board.

4930. You stated in page 601, in answer to question 4337, "bills have certainly been drawn to some extent; the Company draw to small amount; the supercargoes, whose salaries are payable in England, occasionally draw. There must be ship-bills; and I have seen it stated in evidence before this Committee that the Americans have lately raised funds in China in that mode, though, if they continue to do so, instead of importing dollars, the exchange will soon be affected." Do you know when the practice of drawing those bills, on the part of the Americans, commenced?—No, I do not.

4931. Are you not aware that it commenced about the year 1818?—I was not aware of that.

4932. Do you know whether it has been increasing from that period, or otherwise?—I stated when I was examined before, that I had no information upon that subject but what I derived from the evidence given before this Committee.

4933. Can you state what, according to the rate of exchange in the year 1828, was the price of the dollar at Canton at that period?—The Company were drawn upon in the year 1818 at 5*s.* a dollar.

4934. Can you state what it was in 1826?—In 1826 the Company were drawn upon partly at 4*s.* 6*d.*, and partly at 4*s.* 3*d.*

4935. In 1828?—In 1828, partly at 4*s.* 2*d.*, and partly at 4*s.* 1½*d.*

4936. In case it shall appear that the number of bills drawn by Americans have considerably increased in the latter period, will it not follow that it has not had the effect which is contemplated in your answer to that question?—It would be necessary, previously to coming to such conclusion, to know the state of the American trade, to see what quantity of dollars they have imported during that same period.

4937. You have stated that it was necessary, acting up to the tenor of the Commutation Act, that the Company should always keep a stock of tea on hand to the amount of one year's consumption; are you not aware that the obligation therein contained is of keeping such a stock of tea as, including the quantity ordered but not received, shall amount to one year's consumption?—I stated upon a former occasion that the Company have always construed that clause to mean, that they should have at all times at least a year's consumption in warehouse.

4938. Will you have the goodness to read the clause?—"That the said United Company shall from time to time send orders for the purchase of such quantities of tea, and provide sufficient ships to import the same, as, being added to the stock in their warehouses, and to the quantities ordered and not arrived, shall amount to a sufficient supply for the keeping a stock at least equal to one year's consumption, according to the sales of the last preceding year, always beforehand."

4939. Does not that stock include the quantity in the warehouse, as well as the quantity that has been ordered and not arrived?—In the Company's construction of that clause it includes only the quantity in warehouse.

4940. You have stated in your answer to question 4368 in what manner the Company regulate the quantity of tea which they put up at each sale, and you stated, as a proof that the market is abundantly supplied by the Company, that large quantities have been rejected at every sale?—Lately.

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4941. If the Company put up their teas at the real cost to them, and they put up such a quantity as to always have a portion rejected at that upset price, would it not necessarily follow from such a course that they never could make any profit upon their tea at all?—If the quantity rejected went to such an extent; but when I spoke of considerable quantities, I alluded to the rejection of a million of pounds weight at one particular sale. The object of the Company has been that of leading, by an abundant provision, to an increased consumption, rather than of supplying an increased demand after it should have been ascertained to exist; and I merely mentioned the fact of tea having been rejected, as tending to show that the Company, far from starving trade, abundantly supplied the market.

4942. If they are regulated, as to the quantity put up for sale, by the circumstance of putting up until a portion is rejected by the buyers, does not that necessarily lead to the consequence that the portion that is sold must be sold at a price not exceeding the upset price; because if any portion is rejected by the buyers at the upset price, is not that a proof that any buyer might have provided himself at the upset price, and therefore, as a consequence, that no person can have given more than the upset price?—There can be no doubt that latterly it has occasionally occurred that the Company have not received the upset price for rejected teas; they have been put up at the following sale at no price, and they have not always received the upset price for them.

4943. Did you not mean the Committee to infer that that was the ordinary practice of the Company in regulating their supply for the demand?—No; I stated that the principle to which they look in determining what quantity to offer for sale is the amount of deliveries and the quantities sold at the previous sale.

4944. Is the Committee to understand that the fact you have stated of large quantities having been rejected is merely an accidental fact, and that it is not to be taken into consideration with a view to judge of the circumstances which have regulated the Company in the quantity of tea they put up for sale?—Certainly; the Company, in the quantity put up for sale, look at actual deliveries and actual sales.

4945. But they do not regulate the quantity, so as to put up a portion of each quality that shall be actually rejected by the buyers?—Clearly not.

4946. Would not such a course be inconsistent with the possibility of making any profit?—When the Company declare tea for sale, they of course expect and hope that they shall sell all that they declare.

4947. That being the case, and the Company looking to

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making a given profit upon their tea, is not that profit entirely regulated by the quantity that is put up?—I apprehend the Company never regulate or limit the quantity of tea with a view to making any certain amount of profit; without adverting to the question of amount of profit, they look only to the demand for the tea.

4948. Is not the profit that they look to making entirely dependent upon the quantity they may put up for sale?—The quantity they put up for sale must affect the rate of profit.

4949. What rate of profit do the Company look to in determining the quantity of pounds weight of tea that they put up for sale?—I must repeat, that the Company never take into view the question of profit when they declare the amount to be sold.

4950. Do not they always determine to take it in if it was not sold at a certain price?—They are authorized by law to put it up at a certain price; and having ascertained that it will not fetch that, it is put up without price at another sale, and sold at what it will fetch.

4951. Supposing any given quantity of tea to be imported, say 10,000,000 of pounds, which would command a given price; are you not aware, that if you put up 9,000,000 of pounds, you would create that sort of scarcity which would give you an increased price; and if you were to put up 11,000,000 of pounds, it would bring you either to your prime cost or to a loss; and, therefore, the price which the Company is to obtain must depend entirely upon the proportion of the quantity put up to the demand and the consumption?—Undoubtedly.

4952. That being the case, do you suppose that the Company, in regulating the quantity to be put up for sale, do not do it with reference to some given profit, which they have made up their minds to be reasonable for them to receive?—I am sure they do not.

4953. Do you suppose that the upset price has anything to do with the price actually obtained at the sale? I confess I think it has; but that is a question upon which there is a considerable difference of opinion. When there has been great competition, and the sale price has considerably exceeded the upset price, I know that some persons, who are well informed as to the sales, think the upset price has nothing to do with the sale price.

4954. For instance, a pound of tea that may sell for 3*s.*, whether you start the first price at 6*d.* or at 2*s.* 6*d.*; can it make any difference in the result of the sale?—Certainly not.

4955. Therefore does the price paid for tea depend, in your opinion, upon the quantity put up, and not upon the upset price?—My own opinion is, that they both affect it; that taking the whole sale into view, the upset price must affect the sale price.

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4956. In what proportion does the quantity put up at one sale, with reference to the previous deliveries, exceed the quantity sold at the previous sales?—I am not aware of the precise proportion, but it is what would be called a *liberal* supply in reference to the past sale.

4957. Are you not bound by Act of Parliament to put up at least as much as the previous year's consumption amounts to? —I am not aware of any law of that kind.

4958 Is there any tea ever put up without a fixed price, except that which has been previously rejected?—I am not exactly prepared to answer that question.

4959. In your correction of Mr. Rickards's statement, it appears that he takes the salaries and emoluments at £95,653, the expenses in China at £54,735, amounting together to £150,388; you take them at £82,140; what is the reason of that difference? —That difference is the proportion of the expense which is incurred and paid in China, and which comes into the invoice cost of the teas. The invoice amount of the teas includes all the charges paid in China, therefore the effect of Mr. Rickards's entry is to state that charge twice.

4960. You stated that the Company always take into consideration the quantity of tea which the public seemed to require; must not the quantity which the public take off depend upon the price at which it is sold?—Yes; but the price at which it is sold depends upon the public competition for it at that sale.

4961. The Company being the sole sellers of tea, and having the experience of some years, are of course easily able to regulate themselves by the price and quantity that have been previously obtained?—I should think that it is the Company's supply that has affected the price. I find that as the Company have increased their supply, the price has materially fallen, and I think that is apparent from the statements upon the Committee's table.

4962. Having the power of limiting the quantity to be sold, have they not also the power of commanding the upset price? —If they have the power of limiting the quantity, it is a power which they have never thought of exercising.

4963. In answer to question 4359, you take the whole quantity of tea sold in 1829 to be twenty-seven millions and a half of pounds, and you state that the price of the contract congou in 1829 was 20*d.* ·03 per pecul; is not that the highest price?— It was necessary for me, in examining Mr. Bates's calculation, to take the price which he assumed, 29 tales per pecul; and on reference to the prices actually paid by the Company, I find that the average price of contract congou was within 140 decimals of 29 tales.

4964. Is not a great proportion of the tea very much inferior to the contract congou?—Yes; but my answer was given to meet the hypothetical calculation of Mr. Bates.

4965. Are you aware of the quantity of opium which is sent at the present moment from India to China?—I know that it is very considerable.

4966. Are you aware of the fact of its having increased very much?—I believe it has; but at the same time that trade is subject to certain contingencies. The supercargoes have reported twice or three times during the present charter, that owing to some new exercise of rigour on the part either of the Emperor of China or of the local authorities, to check the contraband trade in opium, they have been unable to rely with confidence upon the proceeds of that opium for the supply of their treasury.

4967. Supposing that trade to have considerably increased, would it not thereby afford considerable facilities in carrying on the rest of the China trade?—The Company always take up two-thirds of their funds in China, by either bills upon India or consignments from thence; and therefore it can only affect, so far as the Company are concerned, the difference between that and the total amount of the prime cost.

4968. Are you acquainted with the present price of opium in China; has not it diminished in proportion to the increased quantity?—I am not acquainted with that fact.

4969. In answer to question 4356, relative to the difficulty of obtaining bills in Canton upon England, you stated that you would obtain the particulars there inquired after for the information of the Committee; have you obtained that information?—I have. In the year 1815-16, the supercargoes of China having occasion to draw 841,716 in dollars, opened their treasury in China for bills at the rate of 5*s.* 6*d.* a dollar, at which they obtained 391,823 dollars; they then increased the rate to 5*s.* 9*d.*, at which they obtained 337,073; and they then further found it necessary to increase the rate to 6*s.*, at which they obtained 112,820 dollars; and they ultimately were obliged to get specie from Bengal.

4970. What was the first rate?—5*s.* 6*d.*, 5*s.* 9*d.*, and 6*s.* So far as respects the question of facility for raising money in China for bills in England, I will read an extract of a secret letter from China dated 28th of January 1826, in which the supercargoes say "the great and sudden fall in the value of bills on England, and the absence of any distinct ground on which to infer that bills will in the next season recover their rate, lead us to hesitate in offering an opinion that so large a sum as 1,000,000 of dollars may be procured next winter by bills issued at any rate of exchange, equivalent to the cost of remittance of dollars from London to Canton on account of the Company."

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4971. What was the result in the following year?—In 1826 they drew 73,169 dollars, and 79,168 dollars.

4972. Were they able in the subsequent year to draw to the amount of 1,000,000 of dollars about which they express some doubt?—In the year 1827-8, they drew 1,700,000 dollars, at 4s. 3d. the dollar.

4973. Were the fears anticipated in that letter actually realized?—It would appear not; but the apprehensions of the supercargoes probably arose from anticipating an interruption to the opium trade, which might or might not take place.

4974. Three years have since elapsed; has any other letter from the supercargoes been received expressing similar fears?—The supercargoes are not allowed now to draw upon England, and they have obtained their supplies by bills upon India, and by consignments from India and from England.

4975. Has there frequently been great difficulty in obtaining bills upon India at Canton?—There may have been. The supercargoes have sometimes felt difficulty in negociating their bills upon India.

4976. Has there been any other mode of remittance resorted to in consequence of that difficulty?—Yes; bullion has been exported from Canton to India.

4977. Would the rate of exchange show a difficulty of getting bills; has not the rate fallen from 4s. 3d. to 4s.?—It would appear so from the Canton Register. I believe the quotation in that document of the low rate is accompanied by the observation "No Bills."

4978. If the East-India Company, in their trade with China, think it necessary to employ all the different circuitous modes which you have described, of maintaining the exchange in Canton, so as to bring the tale out, as you have stated, at 6s. 8d. to the Company; and if under that protection which the Company are giving to exchange, the foreigners are availing themselves of that circumstance to draw their bills as low as 5s. 6d. the tale, is it not clear that the Company are working for the benefit of the foreigners in that instance?—I could not arrive at any such conclusion by looking at the exchange in one year. No just conclusion can, I apprehend, be formed, but by looking at it upon the average of years; and upon the average I find that the Company's valuation has been less than that of the exchange rate at Canton, and therefore less than that at which a foreigner can draw.

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Mr. J. Kennedy, and Mr. H. H. Birley.

Martis, 11° *die Maij* 1830.

Mr. JOHN KENNEDY and Mr. HUGH HORNBY BIRLEY called in and examined.

4979. (*To Mr. Kennedy.*)—You are a resident at Manchester?—I am.

4980. (*To Mr. Birley.*)—Where are you resident?—At Manchester.

4981. You were formerly the President of the Chamber of Commerce in Manchester?—I was.

4982. (*To Mr. Kennedy.*)—You are well acquainted with the spinning of cotton?—I am.

4983. How many years have you been engaged in it?—For nearly forty-six years.

4984. Are you intimately acquainted with machinery?—For about ten years I was employed entirely in learning to construct machinery for cotton spinning.

4985. Are you now engaged in the business?—I am not.

4986. Do you continue any researches upon the subject of machinery at present?—I do.

4987. Have you ever seen a printed statement prepared by the late Mr. Lee of Manchester, in 1812, of the comparative cost of labour in producing yarn in Britain and in India?—I have.

4988. Did you assist in the preparation of that document?—I did, in part.

4989. With what view was that document prepared?—To show to a deputation that was in 1812 in London, upon the East-India trade, the probability and the possibility of extending our trade in the export of yarn.

4990. Did the spinners in Manchester contemplate the possibility of being able to furnish the Indians with cotton yarn?—Some did.

4991. Did you yourself?—When the statement was made out, it was obvious to every one.

4992. Can you furnish the Committee with a copy of the paper to which you have alluded?—I can.

[*The witness delivered in the same, which was read as follows:*]

(No. I.)

To the Committee at Manchester, meeting to Oppose the Exclusive Trade of the East-India Company.

Gentlemen,

The general arguments against monopoly are so obvious, and have been so perspicuously treated by various eminent theoretical writers,

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as well as by the representations of practical persons, that it becomes principally important to us to state such grounds of objection to that of the East-India Company as peculiarly belong to our branch of business, and to present to the legislature, concisely, the evidence of our claims to an unfettered trade to India.

The prominent and essential features of economy in the cotton manufacture consist in the discoveries and improvements in spinning within the last thirty years, especially for the finer fabrics, in consequence of Mr. Crompton's invention of the mule; and by the introduction of the steam-engine, upon Mr. Watt's principle, by which the moving power was brought to the population, and, consequently the labour was collected in less time, and created with less expense.

In the year 1782, cotton twist, by Sir Richard Arkwright's invention, which was the precursor and parent of the subsequent improvements, exceeded the cost of the raw material 20*s.* per pound for No. 60; it now exceeds it, by the mule, only 1*s.* 6*d.* per pound; and taking into consideration the depreciation in the value of money, it cannot be estimated at less than a reduction of from 20*s.* to 9*d.* per pound; an extraordinary and astonishing instance of skill and economy, superadded to the great advancement in both made previously by Sir Richard Arkwright.

In order to explain and to contrast the effects of British mechanism with the simple labour of India, I shall exhibit the relative productive power of each, and the cost of cotton-yarns produced by each, comprehending that range of fineness chiefly required for the eastern fabrics.

The quantity of mule spindles in Great Britain appears by actual survey to be—

4,200,000, producing a quantity of cotton-yarn at least equal to that which can be spun in the same time by 4,200,000 persons in India; the wages of each are supposed at 2*d.* per day; but in Britain

70,000 persons would produce the same effect, by machinery, at 20*d.* per day; consequently

1 person in Britain will be equal to

60 in India; but in consequence of more expensive apparatus, and various contingencies, I will state that

1 person is equal to 40 in India;

40 × 2*d.* = 6*s.* 8*d.*, which is the value of labour for spinning in India to correspond with that of one person in Britain, or as 6*s.* 8*d.* to 1*s.* 8*d.*

It is therefore evident that one spinner by machinery, in Britain, will produce yarn at one-fourth the price that it cost for the same quantity of workmanship in India, supposing the wages of the former to be 1*s.* 8*d.* and of the latter to be 2*d.* per day.

The following statement is a comparison of the cost of labour in producing yarns in Britain and India, for one pound weight, from No. 40 to 250, and likewise of the value of the labour and material combined.

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	Hanks spun per day in both, per Spindle.	BRITISH.			INDIA.		
		Cotton.	Labour.	Cost.	Cotton.	Labour.	Cost.
No.		s. d.	s. d.	s. d.	d.	s. d.	s. d.
40......	2·00	1 6	1 0	2 6	3	3 4	3 7
60......	1·75	2 0	1 6	3 6	3½	5 8½	6 0
80......	1·50	2 2	2 2	4 4	4½	8 10½	9 3
100......	1·40	2 4	2 10	5 2	5	11 11	12 4
120......	1·25	2 6	3 6	6 0	5	16 0	16 5
150......	1·00	2 10	6 6	9 4	6	25 0	25 6
200......	0·75	3 4	16 8	20 0	6	44 7	45 1
250......	0·50	4 0	31 0	35 0	8	83 4	84 0

Though in every case in which there was the least uncertainty or doubt, the representation has been stated on the side favourable to the foreign cotton-yarn, yet the result of this comparison is, that the same quantity and fineness is spun in Great Britain, by machinery, for about one-fourth of the cost of labour for which it is produced in India by the hand, which nearly corresponds with the preceding calculation; and that, reckoning the mean price of cotton-wool in Britain at 2*s.* 6*d.* and in India at 5*d.* the cost of labour and materials united would be less, upon an average, than one-half.

It is, therefore, upon the basis of spinning that the great abridgements of labour, and the consequent cheapness of the cotton manufacture, have been chiefly founded; and by which we shall be able to meet competition in the eastern markets, either in yarns or in cloths, of which they form the principal constituent value.

Very important discoveries and improvements have, doubtless, been made in weaving, dyeing, printing and bleaching, and particularly for certain operations and descriptions of cloth; but taken in the gross the amount will bear but an inferior proportion to the economy introduced by spinning, upon which both invention and exertion have been upon the rack for the last thirty years, and a real capital vested in building and machinery of from eight to ten millions sterling.

I remain, gentlemen, your most obedient servant,

Manchester, 15th April 1812. GEORGE LEE.

4993. Was the paper you have now delivered in printed and widely circulated at the time?—It was.

4994. Was it printed for the purpose of being laid before the Committee then sitting upon the East-India Company's affairs? —It was furnished for the deputation to do with it as they thought best.

4995. Has there been a great fall in the price of the raw material of the manufactures from the year 1812 to the year 1830?—It has fluctuated very much.

4996. Do you think there has been a gradual fall in the price of cotton since 1812?—Yes.

4997. Can you furnish the Committee with a comparison of the cost of labour in producing yarns in England and in India in

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1812 and in 1830?—I can. I have a statement showing it by the pound; and I have also another statement of the comparative prices of a continuous thread a mile long, in the period of 1812, and at the present period, contrasted with the supposed cost of the same yarn spun in India.

[*The witness delivered in the same, which were read, as follows:*]

No. 2.—Comparative Statement of the Prices of English and Indian Cotton Yarns, in the Years 1812 and 1830.

	ENGLISH COTTON YARN.								INDIAN COTTON YARN.			
	Hanks per Day per Spindle.		Price of Cotton and Waste per lb.		Labour per lb.		Cost per lb.		Cost per lb.	Labour per lb.	Price of Cotton and Waste per lb.	Hanks per Day per Spindle.
	1812.	1830.	1812.	1830.	1812.	1830.	1812.	1830.	1812 and 1830.	1812 and 1830.	1812 and 1830.	1812 and 1830.
No.			s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	s. d.	
40	2	2·75	1 6	0 7	1 0	0 7½	2 6	1 2½	3 7	3 4	0 3	2
60	1·75	2·5	2 0	0 10	1 6	1 0¼	3 6	1 10¼	6 0	5 8¼	0 3½	1·75
80	1·5	2	2 2	0 11¼	2 2	1 7¼	4 4	2 6¾	9 3	8 10½	0 4½	1·5
100	1·4	1·8	2 4	1 1¾	2 10	2 2½	5 2	3 4¼	12 4	11 11	0 5	1·4
120	1·25	1·65	2 6	1 4	3 6	2 8	6 0	4 0	16 5	16 0	0 5	1·25
150	1	1·33	2 10	1 8	6 6	4 11	9 4	6 7	25 6	25 0	0 6	1
200	0·75	0·9	3 4	3 0	16 8	11 6	20 0	14 6	45 1	44 7	0 6	0·75
250	0·5	0·6	4 0	3 8	31 0	24 6	35 0	28 2	84 0	83 4	0 8	0·5

N.B.—In 1812 and in 1830 the wages of labour in England are estimated at 20*d.* per diem for every person employed, including men, women, and children.

All expenses (as well interest on capital, fixed and floating, wear and tear, and depreciation consequent on new improvements, as wages) are included in the column showing the cost of labour.

No. 3.—COMPARATIVE Prices of English and Indian Cotton-Yarns, in the Years 1812 and 1830, reckoned per mile.

—	English Prices.		Indian Prices.	—
	1812.	1830.	1812 & 1830.	
No.	*d.*	*d.*	*d.*	
40........	$1\frac{1}{2}$	$\frac{3}{4}$	$2\frac{1}{8}$	*Note.* — Two hanks of yarn are one mile *nearly*.
60........	$1\frac{3}{8}$	$\frac{3}{4}$	$2\frac{3}{8}$	
80........	$1\frac{5}{16}$	$\frac{3}{4}$	$2\frac{3}{4}$	
100........	$1\frac{1}{4}$	$\frac{13}{16}$	3	
120........	$1\frac{3}{16}$	$\frac{13}{16}$	$3\frac{1}{4}$	
150........	$1\frac{1}{2}$	1	$4\frac{1}{16}$	
200........	$2\frac{3}{8}$	$1\frac{3}{4}$	$5\frac{3}{8}$	
250........	$3\frac{3}{8}$	$2\frac{3}{4}$	8	

London, 6th May 1830. JOHN KENNEDY

4998. Have you made any difference in the price of labour in India between the year 1812 and 1830?—No.

4999. Do you understand that there has been any difference? —Not that I ever heard of.

5000. How do you ascertain the cost of spinning in India?— We had the same apparatus to spin with in England, previous to the last seventy or eighty years, that they had in India; and I understand that in India they have the same machine still.

5001. Does this computation proceed upon any knowledge you have yourself upon the subject?—(*Mr. Birley.*) It was assumed in 1812, that an individual spinning with the hand would produce as much with a spindle as one of our spindles moved by machinery; and those who have observed the spinning of flax and wool and worsted, by hand, feel quite certain that it is making an ample allowance. The object of Mr. Lee in preparing that statement has been rather to understate than to overstate.

5002. Are you yourself acquainted with the Indian machinery?—(*Mr. Kennedy.*) I have seen a great variety of models of Indian machinery for the purpose of preparing and spinning cotton in India.

5003. Do you make any difference in the price of the raw material in India between 1812 and 1830?—No.

5004. Have you any reason to believe that the prices are the same now as they were then?—The last price-current seems to correspond within a fraction, or nearly so, with what it was then.

5005. Has there ever been any improvement of the cotton exported from India to England since the year 1812?—I think not; the Surats have been better got up in some instances.

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5006. From the calculations that were drawn up in 1812, you assumed the great probability of an extension of trade between India and England?—Certainly; I speak more particularly of yarn.

5007. Has that expectation been realized by the subsequent event?—It has. In 1812 there were nothing more than samples sent out, at that period amounting to a few hundred pounds weight; and the last returns I have seen are between 4,000,000 and 5,000,000 of pounds.

5008. Have you reason to believe that the result which has taken place with reference to India might equally apply to other parts of the East, if the trade were thrown open?—Whenever yarn is wanted I conceive that may take place.

5009. Have you reason to believe that such yarn would be in request in the China market?—I am not at all acquainted with the China market.—(*Mr. Birley.*) There is no doubt of the fact.

5010. And perhaps also through the Eastern Archipelago?—Yes.

5011. Upon what grounds do you form that opinion?—From the circumstance of orders having been given and increased.

5012. Do you mean from China?—Yes; in the first instance a considerable error was committed as to the fineness of the yarn that was sent out; but there is no doubt that both from America and this country yarn has been sent to China. The East-India Company, I believe, gave very large orders last year for China for yarn; at least it was so understood in Manchester.

5013. Do you know anything, of your own knowledge, of any American orders for cotton-yarn for the China market?—By correspondence we do. The house of which I am a member had information from an American merchant that it was an article which might be sent out circuitously, and be extensively used in China.

5014. Have any long-cloths of British manufacture been exported to India?—A great many cotton cloths, of about the quality which we understand to be long-cloths, have been so sent out.

5015. Formerly were they not invariably imported from India for consumption here?—They were.

5016. For how long has that trade been going on?—Certainly from the time of the opening of the trade, if not previously.

5017. Has it been progressively going on?—Certainly it has been going on increasing: but, for my own part, I contemplate rather supplying the Indian market with yarn than with manufactured goods in future.

5018. Do you consider the long-cloths, sent out from this

country to India, to be equal, in point of substance, solidity, and duration with the long-cloths of that country?—I should rather apprehend not. Generally speaking, wherever we export cotton cloths, we have found it necessary to make a cheap article, to meet the wants and the ability of the purchasers.

5019. Do not you invariably obtain the preference upon the coast of Africa through Gibraltar?—Great quantities go through Gibraltar.

5020. Do not the Manchester long-cloths now supersede the Indian long-cloths in the Gibraltar market?—They are sold to a great extent. I have no establishment at Gibraltar, and therefore I cannot answer decidedly.

5021. What difficulty has the English manufacturer, according to the present state of the law, in sending his goods to any part of India?—I am not aware of any difficulty, excepting to China.

5022. Could not you find freight to send it to China?—Not directly.

5023. So that the only extension that could be given to the trade by law is confined, in your opinion, to the opening of the China trade?—Yes.

5024. Can you suggest to the Committee any other alteration of the law, by which the exportation of goods to other parts of the Indian seas could be improved?—I am not aware of any impediment.

5025. Are there any facilities that might be given, which do not now exist, for the introduction of British manufactures into the consumption of India?—I know no facilities which could be afforded, unless it be by attention being bestowed upon the culture of certain productions of India, and by the opening of the China trade, so that we could get our returns more easily.

5026. Would it not afford you increased facility if you had agents, for instance, in the towns of British India?—There are houses of agency in certain parts of India. Increased facilities certainly might be expected to lead to more extensive demand.

5027. Is a ship of British register allowed to navigate from one port of India to the other?—I apprehend not.

5028. Would that be a facility?—Certainly, trading voyages would be very advantageous.

5029. Are there some facilities that might be given that do not now exist?—Certainly.

5030. Are you aware that some cotton imported from New South Wales has lately been sold at Liverpool?—I have heard so; I have seen it reported.

5031. Do you know the price at which it was sold?—I do not. I remember it was mentioned in our broker's letter.

5032. Was it the growth of New South Wales?—It was.

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5033. Are you not of opinion that if returns could be got from the East, the trade carried on between Great Britain and the East generally might be very largely increased?—Undoubtedly.

5034. Do you not conceive that the power of importing tea into this country on the part of the free-trader would tend greatly to increase that trade?—Certainly.

5035. Must not you also have the demand as well as the returns?—I have no doubt of the demand.

5036. Do not you know that English manufactures, at the present instant, in India, are now selling below the prime cost?—There is not a market in the world which we do not sometimes overstock; but I always expect good to result from that.

5037. From the opening of the trade, has not that been almost constantly the case in India?—By no means; we had increasing orders for precisely the same qualities of goods for several years.

5038. Are not the cottons now furnished much cheaper at Manchester than they were at the time of the opening of the trade?—It is upon that that I ground the expectation of an increase in the demand.

5039. Do not you know that they are admitted at a very low duty in India, whereas the cottons of India are subject to a high duty here?—Certainly; I think it is a pity that those duties remain. That opinion was expressed about the time of the discussion as to the last renewal of the charter by a deputation from Manchester to the then Chancellor of the Exchequer.

5040. Do you know whether any cotton goods are sent to India with a view of being forwarded to China from India?—I cannot state that of my own knowledge.

5041. Are you acquainted with any imitations having been made of the Chinese patterns?—I have understood that orders are now in the course of execution for China; but whether it is by license from the Company, or how they are intended to go, I am not prepared to state.

JAMES COSMO MELVILL, Esq. again called in, and examined.

J. C. Melvill, Esq.

5042. ARE not the exchanges in China affected by the price of silver in England?—I apprehend it must have a proportionate effect.

5043. Taking all the circumstances you have stated into consideration, is not the rate by which the upset price of the teas is calculated higher than that at which for the year it could have been realized?—It would be impossible for me to answer that question accurately, because I do not know what effect might have been produced upon the rates of exchange in China if the Company had increased their demand upon the Canton market for money in exchange for bills.

5044. Is it not considerably higher than that at which the foreigner could afford to supply the tea?—I am not aware that the foreigner can have any advantage over the Company in drawing upon England. The Company, by negotiating their bills in China, can certainly get as good an exchange as the foreigner.

5045. If the fact be that the foreigner has actually realized his bills at 5*s.* 6*d.* the tale, is not that the case?—It would still, I submit, remain to be considered whether the Company's extensive transactions could have been conducted on the same scale. An individual merchant may obtain a single cargo at a favourable rate of exchange; but it does not follow that the whole trade of a country could be conducted at the same rate.

5046. Then the small trader has a benefit over a large company?—It is possible that cases may arise in which a single trader derives a larger rate of benefit than has accrued in the aggregate of the large operations of the Company; but such cases, if they have occurred, shew nothing more than that individuals, out of a great body of traders, may get more proportionate profit than arises in the mass of trade.

5047. Must not the rate of exchange, after all, depend upon the balance of exports and imports into the market of Canton? —As a general principle, undoubtedly. In the present instance the exchanges are affected by the balance of payments rather than the balance of trade. India annually incurs a large debt to this country, which must be remitted through trade, and which is irrespective of any returns in the ordinary course of trade. The payment of that debt operates not merely on the exchanges of India, but also on those of China, a considerable portion of the amount being paid through China.

5048. Must not the Canton exchange be regulated by the balance between the values of the imports and exports at Canton, without reference to what the state of trade may be, or the state of political payments between England and India?—I think that the Canton exchange must be affected by the Indian exchange. A large portion of the balance of trade due from China to India is retained in China to pay the debt which, in the course of trade, England owes to China.

5049. If the result of the China trade, taken separately, were such as to make it necessary to send bullion for the payment of any balance, or if the state of that trade made it necessary to bring bullion from China for the balance, would not the rate of exchange depend upon that fact, without reference to the state of trade anywhere else?—It would then depend upon the cost of sending the bullion. I would here observe, that the balance of trade with China, so far as respects Europe, is greatly in favour of China.

5050. Must not the rate of exchange be determined by the

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payments both to England and to India?—Ordinarily the rate of exchange must be determined by that circumstance; but there cannot, I conceive, be a regular and free course of commercial exchange between this country and China, because the Company are the great exporters from China, and they cannot make those exports the medium of remittance for other persons, without interfering with the payments required to be made in England for the territorial purposes of India.

5051. Supposing 5*s.* 6*d.* per tale to have been the exchange at which the foreign trader is able to pass his bills; supposing the Company to have had no exclusive monopoly of the China trade at all, and to have had nothing to do with it, and that the opium and the cotton and different articles had gone through a free trade; do not you suppose that the result of that free trade must still have left the value of the tale, by which the balance of the trade would have been regulated, at the rate of 5*s.* 6*d.*; that is to say, by whomsoever the trade was carried on, must it not have produced a given rate of exchange?—But supposing 5*s.* 6*d.* to have been the rate of exchange prevalent, I apprehend it would have greatly increased with the demand for money in exchange for bills.

5052. Must not the demand on the market for bills depend upon whether China has to pay a balance or to receive a balance?—That would certainly be the case. But the Company cannot grant the bills if demanded.

5053. If the free trader was to trade with China, and depend upon bills to obtain the tea, would not the whole freight be chargeable to the tea?—Undoubtedly.

5054. That being the case, would not that raise the value of the tale beyond the mere price in the market according to the exchange?—I apprehend it would. The Company's valuation of the tale includes the outward freight.

5055. Then there is no difference in that respect between the trade of the Company and the trade of a private trader, except that, from circumstances, the Company may be at a greater expence in point of freight?—I should think not.

5056. In furnishing the market here with tea, would there be any difference between the Company's furnishing it in the mode you have stated by bills, or the free-traders' furnishing it by bills, unless there be some difference in the freight?—Certainly not. The Company may negociate bills upon at least as good terms as the private trader.

5057. With respect to bullion would there be any difference?—None whatever.

5058. Then the calculation you have made with respect to the price at which the tale is made by the operations of the Company would not differ from that which it would be to the

free-trader, unless there be a difference with respect to the freight?—The value of the tale in the upset price of the tea includes a portion of the outward freight, so that the real cost of the tale to the Company would appear less if all the freight were put upon the homeward cargo. 11 May 1830. J. C. Melvill, Esq.

5059. Would not the difference of the cost of the tea in England to the consumer, comparing it with the cost of the tea to the East-India Company, and what would be the cost of the tea to the private trader, depend, first of all upon the amount of profit which the Company as monopolists impose; secondly, upon the question of the proportion of freight between the Company and private traders; thirdly, upon the result of the outward investments of the parties; and, fourthly, upon whether the one or the other dealt most favourably with the Chinese in their purchases?—There can be no doubt that the price of tea paid to the Company, as compared with what might be paid to a private merchant, would depend upon the comparative advantage with which those parties bought the teas in China. Nor can there be any doubt that the result of the different modes of placing the tale in China, whether by the proceeds of bills or by consignments, must affect the price of tea in England. With respect to profit, the Company exact no profit but that which the Commutation Act authorizes, and indeed they exact less, for the Commutation Act authorizes an advance of 1*d*. per lb. and the Company offer to sell their tea at an advance of one farthing per lb. The rate of freight of course must affect the price of tea to the consumer, but the freights which the Company pay are occasioned by a legislative enactment, which regulates the taking up of their shipping, and from the operation of which they can only be exempted by Parliament itself.

5060. Have not you given an opinion, in an earlier part of your examination, that the profit to the Company must be regulated by the quantity of tea that they put up, and the proportion that quantity may bear to the demands of the consumption?—I have no doubt that the quantity put up must affect the price; but, as I have before stated to the Committee, the Company abundantly supply the market.

5061. If the Company chose to supply that consumption so abundantly as to sell it at the prime cost, could they very easily do so?—That would depend upon the competition of the buyers. If the Company chose to give away their tea, I suppose they might do so.

5062. Must they not by Act of Parliament put it up at cost price?—All that they expose for sale they must put up at a price not exceeding prime cost, with the other charges specified in the Commutation Act.

5063. Therefore they cannot sell under prime cost?—Yes, I

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apprehend they can. The Act of Parliament merely precludes the Company from putting it up at more than the cost price.

5064. Is it not true that the Company might, by regulating the quantity put up, produce any given price of tea, from the price which you call the giving-away price, up to almost any amount of profit that they might put upon it?—I have no doubt that the Company might raise the price of tea by limiting the quantity exposed to sale; but that is a power which, if they possess it, they have never exercised.

5065. Having that power, do you not presume them to exercise it, upon the calculation of giving themselves what they consider a reasonable profit?—I must again repeat to the Committee, what I know to be the fact, that in fixing the quantities to be put up for sale, the Company never advert to the amount of profit that they expect to receive. They look only to the state of the market, and their object is to afford an abundant supply.

5066. Can you state what the per-centage of profit is, upon the average of any given number of years, upon the tea trade?—From a calculation that has been made in consequence of Mr. Bates's computation, it would appear that, supposing the tea to have been all contract congo (the species assumed by Mr. Bates), the rate of profit beyond interest for the use of the capital amounted in 1829-30 to twelve per cent. in the two years that the capital is locked up; that is, six per cent. per annum.

5067. Is that the result of two particular years?—It is the result only as applicable to contract congo tea in the year 1829-30, and was ascertained solely for the purpose of meeting Mr. Bates's statement, which had reference to that kind of tea, and to that year.

5068. If the same calculation were made for a longer period, do you think it would widely differ from that?—I think the rate of profit would be much higher in former years. I will explain one or two of the particulars of the calculation. The Company offered to sell their contract congo tea (and although that is the tea upon which this calculation was made, yet the result would, I believe, be nearly the same as to all kinds of tea, the profit on contract congo in 1829-30 affording a fair average of the profit of teas upon the whole sale) at 2*s*. 1¼*d*.: the upset price was 2*s*. 1*d*. and the farthing was the advance at which it would have been sold if no more had been bid. The price at which it was sold was 3*d*. above that upset price, which is twelve per cent., and the capital is locked up for two years.

5069. In the upset price at which the tea is put up, is not interest for capital included?—I before stated, that the interest is included in the upset price.

5070. Is not that a particular case that you have selected?—It is for a particular year, 1829-30, and the calculation is made

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with reference to a particular tea, the contract congo. Both the year and the tea are those which were selected by Mr. Bates. The profit that the Company made in that year upon the contract tea is about the average profit that they then made upon all descriptions of tea.

5071. Was the profit in 1829-30 lower than in most other years?—It was much lower.

5072. Lower than any other year?—I think it was lower than in 1828-9, but that was very low also.

5073. How do you calculate the capital of the Company employed in the tea trade?—This is calculated upon the principle of taking the cost of the tea in China, all the charges upon that tea, the freight that is paid, and every thing that constitutes the upset price and the aggregate cost is the capital upon which interest is computed.

5074. Without selecting any particular year, be so good as to state to the Committee, upon the average of years, what has been the profit upon the cost price?—I have not the materials at present for stating it, but such an account can be furnished if the Committee desire it.

5075. On referring to the account of the upset price at which the tea was put up in the year 1823, and the price at which it was sold, there appear to be these results: the putting up price of bohea in 1823 was 1*s.* 6*d.*, the sale price 3*s.* 6*d.*; for congo, the putting up price was 2*s.* 2*d.*, the sale price 2*s* $6\frac{5}{10}$*d.* There is another quality of congo, which was 2*s.* 4*d.*, the sale price 2*s.* $7\frac{8}{10}$*d.* Of twankay, the putting up price was 2*s.* 5*d.*, the sale price 3*s.* $5\frac{5}{10}$*d.* Of hyson-skin, the putting up price 2*s.* 6*d.* the sale price 3*s.* $5\frac{3}{10}$*d.* Hyson, the putting up price 4*s.*, the sale price 4*s.* $9\frac{8}{10}$*d.* Were these prices in your contemplation when you gave your answer to a question lately put?—I believe I stated in my former answer, that the calculation had reference to the sales of 1829-30, and that I was perfectly aware that in most of the earlier years there had been much greater profit.

5076. Could you furnish the Committee with a statement of the average profit for the whole period from 1814 to the present time?—Certainly, if the Committee wish it.

5077. In the year 1827-8, the prime cost of the tea is stated as £1,981,419; are the Committee to understand that that is the prime cost of the tea to the Company?—I apprehend that that is the invoice cost, and therefore it includes freight and charges upon the outward consignments.

5078. If the Company sold that tea so as to produce the exact sum of £1,981,419, they would be neither gainers nor losers?—The prime cost in the statement showing that amount

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5079. What is meant by giving the Committee a paper, in which this is stated as the prime cost, if it does not include every thing?—I did not prepare that statement; but I have no doubt it was framed for the purpose of giving all the information that it was supposed to be the wish of the party who called for the account to obtain.

5080. Does it include every thing but interest?—It neither includes interest nor insurance, nor freight on the homeward consignment, nor charges of merchandize in England.

5081. If the Company had sold their teas for £1,981,419, they would have exactly cleared themselves, without either profit or loss, with the single exception of interest?—The freight upon the homeward investment is not included in that account.

5082. It appears that in the year 1828-9 the actual sale amount was £3,286,272; must not the difference between the one sum and the other be the amount of the profits of the India Company upon that adventure, always excepting the charge still to be made of interest?—The interest, the freight, and the ordinary commercial charges at home, such as are exhibited in the profit and loss accounts.

5083. Will you look at the account of profit and loss upon the trade of the East-India Company for the last ten years from China, and you will see that the total cost of the teas for ten years was £25,681,320; do you consider that to be a fair statement of the total cost of the teas to the Company?—Provided interest and insurance be added, which are not included in the profit and loss accounts, as they are not actual outgoings.

5084. So that, if the Company had sold their teas for that precise sum of £25,681,320, they would have exactly cleared themselves, with the exception of interest and insurance?—Clearly.

5085. It appears by the same account that they did actually sell those teas for the amount of £35,960,064, leaving a profit upon that transaction of £10,278,744?—Clearly.

5086. Is not that, in round numbers, a profit of about 40 per cent.?—It is.

5087. In what manner do you reconcile this account with the statement you have before given of the small amount of profit said to be derived by the Company?—I apprehend the charge of interest and insurance would make a great difference; but undoubtedly one of the principal causes is, that the Company, in common with other traders, have suffered a great diminution of profit. Their profits, as I before said, were much lower in 1829-30 than in former years.

5088. Does the first column of prime cost calculated at 6s.8d. per tale, include outward freight?—It does. 11 May 1830.

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5089. You have stated, in answer to question 4297, that all the Company's consignments and remittances to China are made entirely with a view to, and do in fact terminate in, supplying the treasury at Canton with funds for a provision of tea; are you aware that the principal object of British merchants, in the opening of the trade with India in 1814 down to 1818 inclusive, was to furnish funds to purchase Indian produce for shipment to Europe, in the same manner that it is now the object of the East-India Company to furnish funds in China for their investments of tea; and are you further aware that since 1818 down to the present time, the nature of that trade to India has entirely changed, in consequence of the extensive demand for British manufacture in India, the purchase of Indian produce, in the place of being, as formerly, an object desirable as profitable investment, being now become a means of remittance?—The Company have the most convincing evidence of the increasing difficulty of finding the necessary means of remittance from India, caused in great measure by the demand of returns for exports to that country.

5090. Was it not from 1814 to 1818, and at anterior periods, a difficulty of an opposite description; namely, a difficulty of creating funds in India to pay for the articles sent out?—Not from 1814 to 1818, so far as the Company were concerned. Their difficulty has been in obtaining remittances for the funds belonging to them in India.

5091. The question refers to private merchants?—I am not acquainted with the private trade; I know that bullion used to go to India in much greater quantity than it does now.

5092. Do not you know that now the difficulty is to find the means of remittance from India, whereas before the opening of the trade, and for the first few years after that opening, with reference to the private merchant, the difficulty was to find the means of creating a fund in India for the payment of goods to be brought from that country to this?—I know that the difficulty now is the finding means of remittance from India; but I do not feel myself competent to say what difficulty of an opposite kind may have been experienced by private merchants.

5093. Do you not then think that, under those circumstances, if the monopoly of the Company's trade to China were discontinued, the importation of tea into this country would soon assume the same character as the importations of cotton, foreign coffee, saltpetre, and other Indian products in the India trade?—I think there is a great difference between the trade with India and the trade with China. Whatever success may have attended the endeavour to export British manufactures to India, it by no means follows that the same result would attend a

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free trade to China, because the introduction, more extensively than at present, of such articles, would depend upon local regulations. We have controlled such regulations in India, and have thereby interfered with the native manufactures; but we could not exercise any such control in China.

5094. In point of fact, have not the Americans already, in their trade to China, in a great degree produced such a state of things; namely, a large importation of produce of other countries, and a consequent low price of tea?—I have heard that latterly the Americans have resorted to the practice of exporting British manufactures and produce to China; but I have only learned that fact from the evidence given before this Committee. It had been my impression that the principal exports of the Americans to China were dollars; and I still think that, upon the whole, dollars have to them proved the most profitable mode of paying for their teas.

5095. Supposing the Chinese to manifest the same disposition to consume British manufactures, either from their cheapness or their superior quality, or from any other motive, which the natives of India have manifested since the opening of the trade to India, would not the same result probably arise in the interchange of commodities between the two countries; namely, a very great increase of the export trade of this country, and a greater demand in China for the produce of that country, attended with the lower price probably of the article?—It might have such an effect; but to the extent that it had, India would suffer by an abridgment of the means of remittance of that portion of the Indian revenues which is expended in this country.

5096. Assuming that the Chinese will consume our manufactures, do you think that if they do consume them they would not find a means of remittance in the increased supply of tea and other articles from China?—They must certainly give something in return for whatever they took from us; but that something would not augment the channel of remittance from India; besides which, how would the difference of exchange be made up to the Indian community which they now derive from the profits of the Company's trade.

5097. Supposing the same supply of opium and other commodities to go from India to China, or supposing that supply to be increased, would there not be the same funds created as means of remittance?—There might be the same funds created as means of remittance, but they would not be applicable to the same object. The funds that are now created as a means of remittance to the Company form the source from which they derive that profit from which the inhabitants of India now get a benefit, which they could not obtain in any other mode, unless directly from the people of England.

5098. Do you mean to state, that if 10,000,000 of dollars

were raised in China by a quantity of opium sent from India to China, those 10,000,000 would not create a credit, out of which a remittance to that amount might be made to this country, whether by private trade or by the Company?—There can be no doubt of it; and the Company already avail themselves of that credit for the purchase of two-thirds of their teas.

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5099. You stated in your former evidence, that the average period that the Company's tea remains in their warehouses is twenty months, and that the charge of interest which the Company makes under the Commutation Act is for eighteen months; and you further stated your opinion that were the tea to remain in warehouse for a shorter period than eighteen months the provision of the Commutation Act, in sec. 5, would not be complied with: are you not of opinion, that the keeping of five or six months' stock of tea in the Company's warehouses, added to the quantities ordered and not arrived, as stated in the statute, would have been a sufficient compliance with the intention of the Legislature; and would not the keeping of such stock have enabled the Company to supply the public with a cheaper and fresher supply of tea?—I am clearly of opinion, that if the Company had so reduced their supply, the Act would have been infringed. I have read the Act deliberately since yesterday, and considered it well; and it occurs to me, that to suppose that the Legislature meant that the Company should consider as on hand the quantity of tea ordered but not in warehouse, is to assume that the Company might have their warehouses completely empty. I think the Legislature, looking at the uncertainty and liability to interruption which, especially in early years, was felt to attach to the China trade, must have intended to guard against the contingency of a failure of supply. And I would respectfully submit to this Committee, whether supposing that, at the present moment, instead of the subject of discussion now before them, they were inquiring into an allegation that the Company had infringed the law, the China trade being interrupted, and no tea being in the warehouse, the majority of men would hesitate to pronounce an opinion, that, under the Act in question, the Company were bound to do what they have done.

5100. Would not the intention of the Legislature, which was that there should always be twelve months' supply beforehand, have been complied with, by having always six months' supply in hand over and above the supply coming in?—I think it would not. The Act provides a minimum, and states the object to be that of having a stock always beforehand.

5101. Does it not frequently happen, in consequence of the present system, that the tea is sometimes two or three years in England before it is sold?—I think not. It is not within my department; but from what I have heard, I should suppose it

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has very rarely happened that tea has been so long as two years in warehouse. There may be cases in which tea, rejected at a sale, and then put up without price at the following sale, has been kept more than two years. The interest is never charged beyond the eighteen months.

5102. In point of fact, at the last March sale, were there not teas put up and sold that were imported in March, April, and May 1827?—I am not aware of the fact.

5103. Could you ascertain that?—Certainly.

5104. When you spoke of teas being rejected, you did not mean rejected for their quality, but rejected because the quantity is superabundant?—They are offered for sale at the upset price, and nobody bids for them; but I cannot possibly say why individuals do not bid.

5105. Then they are put up again and sold without reserve?—Yes; and there have been instances in which teas rejected at one sale, when put up at the upset price, have been put up at the succeeding sale at no price, and have fetched more than the price at which they were first put up.

5106. Can you state to the Committee what reduction in the upset prices of bohea and congo has been made by the Company in the forty years which have elapsed from the year 1784, when the upset price was fixed by the Commutation Act for the four first sales afterwards?—I cannot. I have seen such a document, but I have not got it by me; it can be furnished to the Committee for every year.

5107. Has the reduction in the upset price of tea since the year 1814 kept pace with the general reduction in the price of other articles of importation from foreign countries?—My impression is, that there has been a less reduction in the price of tea than on that of other articles, but that there has also been a less rise; I think there have been less violent fluctuations in the price of tea than in that of other commodities.

5108. In point of fact, whatever have been the circumstances and changes in the value of money, or otherwise, that have so greatly lowered the price of all articles of foreign import, the price of tea has not lowered in the same proportion?—Perhaps not; but I think it would have, if the price had also risen in the same proportion.

5109. As far as the price was affected by the exchange and the value of money, must it not have risen in the same proportion, because the upset price was always determined by the prime cost at Canton?—What I mean to say is, that so far as I am informed, the rise and fall in the prices of tea were not so considerable as in those of other articles.

5110. You have also stated that the profit was much larger at the period in question?—It was.

5111. Ought not then the upset price to have fallen still more in consequence of the profit being so much reduced as it has since been?—The upset price is not regulated by the profit. 11 May 1830.

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5112. Does not the upset price now include the lower rate of exchange, and the import charges?—It does; the upset price has doubtless been affected and reduced by the reduction in the prices at which the Company provide their outward consignments to China, and by the reduction in the rates of exchange at which their bills have been negotiated.

5113. In point of fact, do you think that any other article of merchandize in general trade can be pointed out in which the reduction has been so inconsiderable as in tea since the year 1814?—I really am not sufficiently conversant with merchandize in general to be able to speak to that.

5114. You have stated that the sending of merchandize from India to China was an encouragement to the trade in one important article of Indian produce, namely, cotton; can you state what has been the loss to the Company on the average of ten years, ending 1827-8, upon this branch of their trade?—The profit and loss accounts will probably shew that, though they include sandal-wood as well as cotton.

5115. Admitting that that trade is carried on at an average annual loss to the Company, do not you consider that the persevering in a trade which is attended by a yearly loss is more likely, by deranging the necessary relation between supply and demand, to prove a discouragement than an encouragement to the trade in any article of merchandize?—As a general principle, that may be correct.

5116. Do you think it is so in this particular case?—In that particular case the result is arrived at after adding the Company's freight.

5117. Are you not of opinion that in whatever degree there might exist an effective demand for cottons in the Chinese market, that demand would be naturally supplied by the merchants of India?—I have no doubt of that.

5118. Then is it desirable that the Company should waste their funds in such a trade?—They do not waste their funds, because the freight upon the ships must be incurred at any rate; and deducting that freight, which, but for being put upon the cotton, would come upon the tea, the Company, by their cotton transactions, realize the tale at a lower rate than they would by bills; and therefore, so far as the upset price of tea is concerned, it is clear that the Company's consignments of cotton are advantageous.

5119. Although at one period they did realize a lower rate than by bills, would they do so now?—The last two or three

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years they would not; but upon the average of years they would.

5120. Supposing the same trade, to the same extent, to have been carried on by private individuals, would not imports be created in Canton to the same amount?—Yes; but the tale would be more highly valued, because the sending of cotton is one mode of reducing the expence of the freight upon the tea.

5121. Then, supposing the freights of the Company to be much higher than the freights of individuals, would not that affect it?—That would affect it, undoubtedly; but the Company's freights depend upon the law which regulates their shipping.

5122. You stated, in answer to questions 4326 and 4327, that the most disadvantageous mode which the Company could adopt of providing funds for the purchase of teas was by sending British manufactures to China; and further, that the Company have always been desirous, from policy, of exporting the produce and manufactures of this country to places to which they have an exclusive privilege of trading, and that they have felt themselves under something like a moral obligation to do so. Are you aware that, during the last twelve years, the export of British manufactures by the Americans to China has greatly increased, whereas since the commencement of the present charter the export of the East-India Company has diminished?—I have not by me the particulars of the American trade. I see, by the statements that have been submitted to this Committee, there has been an increase in their exports of British manufactures, the amount of which, however, falls far short of the quantity exported by the Company.

5123. Has not the quantity exported by the Company been diminished?—I rather think that there has been no material decrease in the quantity; the value is of course less.

5124. Can you suppose that when the Americans have been increasing their exports they could be actuated by any other consideration than a view to their own interest?—I should think that no merchant would export goods that he did not expect to make a profit upon; but as to any comparison of the Company's exports with those of the Americans, it would be desirable to ascertain the result of the Company's consignments in the years 1828-9 and 1829-30. Information has been received, from which it may be inferred that the Company's consignments of those two seasons will prove one of the best modes of remittance that the Company have adopted; and it is not unlikely that some of the favourable statements which the Committee have received of the American exports may have reference to a later period than those yet made up of the Company's.

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5125. In point of fact, you have stated that hitherto it has been the worst?—It has hitherto, upon an average of the years since 1814-15.

5126. Supposing it should turn out that the best mode which the Company can now resort to of creating funds in China is the export of British manufactures, whilst that export is also increasing through the channel of American commerce, would it not lead to the inference that the Chinese are become more disposed to consume the manufactures of this country, and thereby to afford a greater facility to the extension of their trade?—The improvement has probably arisen from the low rate at which the goods have been purchased here. There can be no doubt, if the fact should be established that a profitable trade is carried on with China in British manufactures to a larger extent than used to be, and that such should continue to be the case, that that will show an increasing demand for them.

5127. Will not the benefit of that fact have been principally supplied by the enterprise of the American private trade?—I cannot say that I think the American trade has reference particularly to late periods. There has been a great depression of the prices of manufactured articles in this country, and I believe the profit upon them will in consequence be large this year, and that it has been large in the last year; but that will be the case with the Company's consignments, as well as with those of the Americans.

5128. If there should be a favourable result, should you attribute it to the fall of prices of British manufactures?—I should think principally. I would explain, upon the subject of British manufactures, that the chief loss which the Company would appear to have sustained has been in articles made of *British* wool, and that the obligation under which the Company have felt themselves has been to protect that trade in particular. In articles made in England of *foreign* wool, the remittances have upon the whole been rather profitable than otherwise.

5129. You stated, in answer to question 4330, that the insurance is charged by the Company at the rate of three per cent. It has been given in evidence to the Committee, that the ordinary rate of insurance for sea risk on the voyage to or from India is from two to two and a half; and it is further stated, that the risk in the Company's ships is smaller than in any other class of vessels; does not the enhanced rate charged by the Company add to the upset price of the teas?—I am satisfied that if the Committee will be pleased to call for further information upon that subject, they will find that that which has been given in evidence is incorrect. I had an opportunity of conversing with one of the most experienced members of Lloyd's, who has been there more than forty years, and who states that he is prepared to give it in evidence to this Committee that the

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ordinary rate for insurance at the present moment upon a Company's ship is three per cent. out and three per cent. home, that is, six per cent. for the whole voyage.

5130. What is the actual loss of the Company by sea-risk?—It is very inconsiderable indeed; I believe not above three-quarters per cent.

5131. So that the difference between the three-quarters per cent. and the three per cent. you consider to be the profit to them as underwriters?—Certainly.

5132. Do the Company always insure their own ships?—They are their own insurers in all cases.

5133. You have stated that there has been a greater fluctuation in the price of other articles of merchandize than in that of tea; do you give that answer after an examination of the facts of the case?—No, it is from what I have heard.

5134. Are you aware of the average price of pepper during the period in question?—I have no information upon that subject.

5135. Are you aware that a part of the fall in price of those articles arises from the circumstance of their being considered as a consignment from a foreign country, and the profit upon the whole transaction, including freight, falling in a great measure upon the outward cargo from this country?—I am not aware of that being the case; but it certainly would not do for the Company, if they are to meet the obligations imposed upon them, to import their teas without realizing any profit upon them.

5136. In answer to a question upon the subject of the export of British manufactures from this country to China, you made a distinction between the quantity and value of those manufactures; and you stated that, although the value of the Company's exports of that description had decreased, the quantities had not decreased; does it not appear, by this account, that there has been a considerable decrease in the quantities—[*A printed Account being shewn to the witness*]?—This account is made up only to 1827-8. In that year there was a decrease in woollens and an increase in metals.

5137. Is not the amount of the metals and other articles very inconsiderable, compared with that of the woollens?—It is.

5138. Do the Company charge three per cent. on the export of bullion?—No; they do not.

5139. Are you not aware that bills on the Court of Directors and the Government of India, have for several years been in great request at Canton?—I dare say they have. I have no doubt that individuals in India would be very glad to avail themselves of that mode of remittance, if the treasury were regularly open for cash in exchange for bills.

5140. In fact, if there be such demand for bills at Canton, is it not probable that there would be less difficulty than you appeared to apprehend in providing so large a sum as two millions sterling?—I think two millions sterling is a large sum to provide; and I have seen nothing in the documents received from China which induces me to think that the supercargoes suppose that they could negotiate bills to that extent annually; at the same time, if the treasury were regularly open, no doubt a large sum would seek remittance to England in that mode, but that would interfere with the operation of the Company's system as prescribed by law.

5141. In point of fact, with the increased demand on the part of the Company, and with the greatly increased demand on the part of the Americans and other foreigners trading to China, has not the exchange been regularly falling from 5*s.* 6*d.* to 3*s.* 11*d.* the dollar?—3*s.* 11*d.* is a rate I have seen quoted in the Canton Register; but I have seen against it "No bills."

5142. Has not it been affected by the price of silver in Europe?—That has affected it, no doubt.

5143. Do not the words "no bills" mean that at the price of 3*s.* 11*d.* or 4*s.* there are no bills offered?—I think it really means that there are no persons ready to grant the bills.

5144. Then the fact is that at Canton, at the date of this price-current, you might have the dollar for 3*s.* 11*d.* if you were disposed to give a credit upon London by a bill drawn upon London?—To some extent; but the low rate quoted may have been caused by no bills being obtainable. Had bills been offered, the rate might and probably would have risen.

5145. Then the exchange has fallen from 5*s.* 6*d.* to 3*s.* 11*d.* notwithstanding an increased export of productions of China?—It has materially fallen.

5146. And this fund might have been created without producing any of those effects which you apprehended would arise from a demand for two millions sterling?—My apprehension as to a demand in China for two millions sterling was, that the Company, compelled as they are by law to secure the public from failure in the supply of tea, could not with safety trust to that mode only for obtaining their funds in China; and nothing that I have heard has tended to remove that apprehension.

5147. Are you aware that in eleven years, from 1817-18 to 1827-8, the value of Indian opium sold at Canton alone, without including other quantities deposited in the other parts of China, has increased from 2,951,100 Spanish dollars in the first of those years to 11,243,496 in the last of those years?—I know that

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there has been a great increase in the price which opium has fetched in Canton; but I have understood that that price has greatly fallen, and that by the last accounts it was still decreasing.

5148. Are you also aware that the exports of Chinese merchandize have been far from keeping pace with this extraordinary increase of exportation of opium?—I am aware that there has been a remittance of bullion from China to India every year to pay the balance.

5149. Does not the large remittance of bullion from China to India to pay the balance explain the temporary falling off in the supply of opium from India to China; and does not it, in fact, show that the state of the trade now from China with other parts of the world is one in which they want the means of remittance, in order to pay for the great quantity of opium and other articles that they consume?—It would appear that the Chinese cannot make returns in merchandize for all that they take.

5150. Then the result is, that in proportion to the consignments made of opium and many of those other articles, there will be greatly extended facilities given to the Company, or any other parties trading with China, for making remittances to India, and from India to Europe?—To India, certainly; and the Company avail themselves of that resource to the extent of two-thirds of what they want.

5151. Are you not of opinion that if the Chinese could find increased means of remittance, they would consume a further quantity of opium and other goods from India and this country? —No doubt; but with respect to the opium trade, considerable uncertainty attaches to that, on account of the rigour that every now and then bursts out on the part of the government to check that contraband trade.

5152. When you see the consumption of one article increasing, in the short space of ten years, five-fold, is it not a strong presumption that that increase is likely to be still more extended, if it be not interfered with by some over-ruling authority?—It may in that period have reached its maximum.

5153. Can you state the amount of dollars and silver that was remitted to Bengal in the year 1828?—Such an account has been prepared, but I have not got it.

5154. In point of fact, did it exceed 5,000,000 of dollars?—I am not aware.

5155. Have you seen the price-current in the Canton Register of the 26th of February 1828?—I have not.

5156. Are you aware that in the price-current it is stated, that the export from Canton to India for the season 1827-8 amounts in bullion to 5,667,979 Spanish dollars?—I am not aware of that fact, but I have no reason to doubt it.

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5157. And that, besides, the Company's Factory drew bills on the government of India to the extent of 1,700,000 Spanish dollars?—Very probably that was the case.

5158. Have you seen the Chinese price-current of the 4th of February 1828?—No.

5159. Then you are not aware that it states that the exports of bullion this season have been to a very large amount, and that in consequence of the low rates of exchange many had been induced to make their returns to India and Europe in metals, iron, lead, and steel, to the extent to which they were procurable?—I certainly was not aware that there was such proof of the difficulty of effecting returns from China to Europe.

5160. Does not this fact show that there is a very great change in the trade with China; namely, that apparently the Chinese are embarrassed to find remittances in payment of the articles which they consume from India and from Europe?—It would undoubtedly show great difficulty in making returns.

5161. Especially, too, if they have been driven to the necessity of sending goods imported from Europe to market as a means of payment?—Clearly. I certainly was not before aware that goods imported into China from Europe had been re-exported.

5162. Does not the difficulty of remittance from China to India equally apply to other parts of the world; because, if the remittance be made through India, it would equally extend to other parts of the world?—It would.

5163. Would not the cheaper price of tea, inducing a great increase of consumption in this country, afford the Chinese the facility for a greater remittance than they now have?—It would undoubtedly give them a greater remittance.

5164. Suppose, for instance, that instead of 30,000,000 we consume 60,000,000 of tea, would not the Chinese have the means of paying for a greatly increased quantity of European mechandize, or of the produce of India, whichever suited their taste to consume?—Undoubtedly; but if the larger quantity of tea were sold to the consumers only for the same sum that is now given for the smaller quantity, there would be no more than there now is to expend in British manufactures.

5165. If there is double the quantity of tea sold, will not that give them a double power of consumption?—The more the Chinese can give, the more they can take in return.

5166. The Committee called for a return of any accounts or estimates which have been transmitted to the Lords of the Treasury under the Commutation Act, showing the sales made, the quantities put up to sale, and the prices and other particulars referred to in that Act, for the last five years; the answer to that requisition has been, that no such accounts have been

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sent to the Treasury; are you of opinion, looking at the fifth section of the Commutation Act, that it does not require such accounts?—That clause has always been construed to mean that the Lords of the Treasury were to have these accounts when they required them.

5167. Is that the construction that the words imply?—I think it was at least as obligatory upon the Lords of the Treasury to call for the accounts as upon the Court to furnish them.

5168. The words are, "That the said United Company shall, from time to time, lay before the Lord High Treasurer, or the Commissioners of the Treasury, copies of the accounts and estimates upon which such orders for importation, or prices for sales, or quantities put up to sale, shall be grounded, whenever such orders shall be sent out, or as often as they shall be called upon for the same by the said Lord High Treasurer or the Lords of the Treasury." Is not the natural construction of these words, that those accounts are to be regularly sent whenever those transactions take place?—That would have been my construction, if the word had been *and* instead of *or*, but there is an option given. The last clause would not have been necessary if the first had been imperative.

5169. Does the East-India Company, insuring itself, pay any duty to the stamp-office for their insurances?—None at all. The Company do not insure.

5170. You stated yesterday, that if the trade to China were thrown open, and the Company continued to carry it on in competition with the private trade, you thought, with all the advantages they possessed in starting, they might continue that competition: have the Company, with all the advantages they possessed at the opening the trade with India in 1814, been able to sustain their competition with the private traders?—With respect to that, I stated yesterday the Company's trade from India since 1814-15 had realized to them a better remittance than the bills of private merchants; and I would now state that the Company have been and are compelled to make the trade of India a trade of remittance. They must bring the rupee home from the government of India, and get what they can for it; I cannot therefore look upon the Indian trade as one that the Company can conduct upon mere mercantile principles; besides which, in judging of the results of the Company's Indian trade, the Committee will not fail to bear in mind that the accounts include the loss by the Board's rates of exchange.

5171. Have they made a profit independently of that arbitrary valuation of the rupee?—I think that upon the average, since 1814-15, if the accounts were made up at the mercantile rates, it would appear that the Company had made a profit upon

the Indian trade. In some of the earlier years they made a very large profit. The account upon the Committee's table embraces only ten years; if they will call for an account for the whole period since 1814-15, I think they will perceive a much more favourable result.

5172. Supposing the exclusive trade with China were taken away from the East-India Company, but that they still continued to carry on that trade as a Company, and supposing that by carrying on that trade it were considerably more divided than it has been, would not the increased competition in the China market give an opportunity to the Chinese to raise the general prices of their tea?—I have no doubt that it would do so; and I think that an opinion to that effect has been given in evidence before this Committee by persons who are conversant with the Chinese character and the Canton market.

5173. Supposing the Indian products were considerably improved in quality, and produced in a larger quantity in India, would not that tend greatly to obviate the difficulties which you now find in obtaining remittances from the East?—If you can find a market for them, a profitable extension of exports from India is, in my humble judgment, an object the attainment of which is most desirable.

5174. Would not cotton constitute a considerable portion of these remittances under the circumstances supposed?—It might.

5175. Would not there a market be found for that cotton?—The cotton of India comes into competition with Egyptian cotton, and other cottons which, although as cheap in their production, are probably superior to it in many respects.

5176. Do not you think that the staple of the cotton might be considerably improved, so as to make it equal to other cottons?—I think it is very much to be desired that every practical improvement should be effected.

5177. Has not the Court of Directors taken special pains in directing the attention of the government to that subject?—They have.

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ROBERT RICKARDS, Esq. again called in, and examined.

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5178. Have you had an opportunity of examining the statements delivered in to this Committee by Mr. Melvill, and his observations on the statements laid by you before this Committee?—I have examined them, as far as the leisure I could devote to it would admit.

5179. Will you turn to question 4359 of Mr. Melvill's evi-

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dence, which relates principally to the prices of tea, and state what observations you have to make upon his answer respecting the price being charged too low by you?—Mr. Melvill, in his remarks upon my statement, seems to think that I have taken the price of tea in China at too low a rate. He says, "Mr. Rickards computes the prime cost of tea in the coin of China very far below what is taken either by Mr. Bates or Mr. Thornley, and so far below what is actually paid by the Company, that I cannot imagine that the Company could have obtained teas at the prices computed by Mr. Rickards without a deterioration in quality." The prices included in the statement I delivered to the Committee in my answer 3454*a*, p. 429, to show at what rate a private merchant could import tea into this country at a profit, are the prices, I presume, to which Mr. Melvill alludes. Those prices may be lower than the Company's, but they are the prices at which private merchants and individuals are constantly in the habit of purchasing their teas in China, and even at a lower rate. It is very certain that whenever the Company go into the market to purchase any commodity, prices rise; and this appears in the present instance to be the case, as the China price-currents will show; for in every year, from the month of October to the month of January, the period of the Company's ships being in China, prices are at the highest; after that they fall. I have a price-current which states, in the month of May 1829, the price of congo tea (the chief article of import) to be from 18 to 20 tales per pecul. Private merchants profess to be in the habit of purchasing equally good tea at 18 tales per pecul with that of the Company, which is charged at 26 tales per pecul. I have taken it in my statement at the medium between 18 and 26, namely, 22 tales per pecul, deeming it a fair rate for such a statement as that which I submitted to the Committee in my answer 3454*a*, p. 429, and which I take to be the statement here referred to.

5180. You are speaking of corresponding qualities of course?—I am speaking of a corresponding quality, because I have repeatedly heard of tea which has been purchased in China at 18 tales per pecul selling here at the same rate, and sometimes higher than the Company's tea of the same denomination.

5181. Have you heard or are you able to assign any reason why private merchants should be able to purchase their tea on better terms than the Company do?—Private merchants will always make better bargains than the Company's agents can; and, as far as my observation goes, their purchases are generally made at the rate I now mentioned: I believe the Americans do the same. In what is called the season, that is, from October to January, when the Company are in the market, and when their ships are loading for Europe, the teas are, as before observed, quoted invariably in the Canton price-currents at much

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higher prices than they are the rest of the year; congo, for example, is generally quoted at 26 tales per pecul, and immediately after the season closes it falls to from 18 to 20, and so continues for the remainder of the year. After the season closes, the tea is commonly denominated old tea, in contradistinction to the tea purchased during the season, which is called new tea; but the old tea is, generally speaking, fully as good as what is denominated new tea, or as that exposed at the Company's sales; and for this simple reason, *viz.* that although it might be somewhat older tea in China than the Company's when purchased, yet when it comes to this country in the privilege of the commanders and officers of the Company's ships, it is sold immediately on arrival, whereas the Company's tea is kept, according to Mr. Melvill's statement, upon an average of twenty months in warehouse before sale; therefore the Company's tea, when sold, must be fully as old, or perhaps older, than what is called old tea purchased by the Company's officers in China.

5182. Are the Committee to understand that during the large purchases made by the Company in the few months of the year the prices are raised by that demand?—The price-currents of China invariably show a rise at that period.

5183. Are you able, from any of the documents on the table of the Committee, to state the relative sale prices in England of the private trade tea, and of the tea sold by the Company, taking the congo as an example?—According to the Account No. 15, in Paper 6 of the papers delivered in to the Committee in 1830, it appears that the price of the Company's congo tea at the June sale of 1823 was $2s. 7\frac{3}{10}d.$, the private trade tea in the same sale sold for $3s. 8\frac{1}{10}d.$; in the congo tea there is a difference throughout the whole of those sales, from the cursory view I now take of it, rather, I should think, in favour of the private trade, though I do not perceive any instance of so great a difference as in this June sale.

5184. You are aware that the Company purchase a large portion of their tea by contract made with the tea merchants previous to the season?—Yes.

5185. Have the officers of the Company's ships any other means of purchasing than going into the public market the same as foreigners?—No other that I am aware of.

5186. Therefore none of the private trade tea can be contract tea?—I am not aware how private traders make their bargains on all occasions. Some of the purchases made by private individuals are, as I understand, taken from the Hong, and some from the outside merchants. I do not myself know of any contracts entered into by individuals similar to those of the East-India Company.

5187. And although the tea belonging to the officers of the

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Company's ships is not contract tea, yet by the sale prices you have stated it sells in England at a higher price than the Company's tea?—So it appears on some occasions, at least by this statement.

5188. Are you able, from any communication with officers who have been at Canton, to state whether the prices they pay for their tea are higher or lower generally than those quoted in the price-currents, or stated by the Company to be their average price?—They are almost invariably, I believe, lower than the prices quoted in the Canton price-currents between the months of October and January in each year.

5189. Will you look at some of the other years, and see whether the private trade tea sells at prices above or below the Company's sale prices?—In the June sale of 1824 the Company's congo sold at 2*s.* 6*d.* a pound, and the private trade tea at 2*s.* 10*d.* In 1825 the Company's congo sold at 2*s.* $5\frac{2}{10}$*d.*, and the private trade tea at 2*s.* $8\frac{6}{10}$*d.* In June 1826 the Company's congo is quoted at 2*s.* $2\frac{7}{10}$*d.* and 2*s.* $4\frac{9}{10}$*d.*, and the private trade tea at 2*s.* $1\frac{6}{10}$*d.*

5190. Will you state the result in December 1826?—In the December sales 1826 the Company's congo is quoted at 2*s.* $2\frac{7}{10}$*d.* and 2*s.* $5\frac{7}{10}$*d.*, and the private trade tea at 2*s.* $3\frac{7}{10}$*d.*

5191. Are you able, by looking at those accounts of sales of tea in this country, both Company's and private trade tea, to say whether, on an average, the private trade tea sells at an inferior price to that of the Company?—I have not made any calculation founded upon this account, as to the average price of the tea sold by the Company and that sold by private individuals; but, on a cursory view of this document, it appears to me that what I before stated, in answer to the questions that have been put to me on this subject, is confirmed, and that the private trade tea, upon the average, sells at as fair a price as the Company's tea in this market, and in some instances it has been found to sell higher.

5192. Do you mean relatively to its quality?—I have given my reasons for presuming that the quality of the private trade tea is not inferior to that of the Company.

5193. Are the Committee then to conclude that the evidence given by you at your first examination, as to the prices of tea, is fully borne out by these documents before the Committee, and by the information from private merchants, and is not erroneous, as stated in Mr. Melvill's evidence?—It is fully borne out by the documents which I have referred to, including the Canton price-currents, as far as regards the prices I have inserted in the Statement delivered in in answer to question 3454*a*, and contained in page 429 of the Evidence.

5194. When you state that the private trade tea is sold at the same rates upon the average as the Company's tea, do you mean

to abide by what you first said, that it was sold at a higher rate; because you set out by referring to a particular year, in which you showed a great discrepancy, which discrepancy does not exist upon the whole average of years?—I referred, in the first instance, to the June sale of 1823, because it was the first column in this account which I was directed to examine and quote. In cursorily looking over the remaining sales, which are very numerous in this paper, it appeared to me that the average price of the private trade tea was upon the whole as high, and sometimes higher than the Company's; as, for example, in 1827, in the June sale, the Company's congo sold at 2*s*. $3\frac{7}{10}$*d*. and 2*s*. $4\frac{8}{10}$*d*., while the private trade tea sold at 2*s*. $4\frac{6}{10}$*d*. There are certainly variations in the different sales contained in this account; but on the whole I do not see any thing that materially affects the evidence I have given on the subject of prices. 13 May 1830.

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5195. Do you think upon the average they sell for nearly the same?—It appears by this document that they do.

5196. You have stated that the sales at the India-House, in general, have produced as good a price of the tea belonging to private trade as that belonging to the Company; will you be so good as to state to the Committee whether the tea purchased by officers belonging to the Company in China, and sold at the India-House, is the same quality of tea which is bought by foreign traders in China?—I cannot pretend to say what the exact quality of the tea sold at the India-House is, having never examined it, it not being in my way to deal in tea in any respect; but I have given reasons in the former part of my examination for presuming that the tea purchased in China, and sold by the Company's officers in this country, is of an equal quality with that put up at the Company's sales on their own account.

5197. Is it purchased in China at rates very much the same as those given by foreign traders?—I do not know what the Americans purchase their teas at. I can only judge from the regular course of the price-currents which I have quoted; and accordingly infer, that if British private traders can purchase tea at 18 to 20 tales per pecul, Americans may do the same.

5198. Is not then the inference from your answer, that the teas sold at the India House of the private trade must be equal to the teas purchased by the India Company?—I presume that they are equal, for the reasons I have already given.

5199. Can you state to the Committee whether the teas purchased in China by Americans and other traders are of the same quality as those purchased by the officers of the Company?—I have no precise knowledge of the quality of the tea purchased by Americans; but I have always had reason to suppose that the American teas purchased in China were of as good quality as those commonly sold in this country.

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5200. Then if the fact were that the teas purchased by the Americans and others in China were of an inferior quality, would the statement which you have made to the Committee of the prices which have been obtained at the India-House for the teas of the private trade be any regulation to the Committee in forming their opinion?—I do not believe that the teas sold in America are inferior to those sold in this country; for I have generally understood from persons who have visited America, that they have drunk better tea in America than they have done in this country.

5201. If the price which the private trade tea bears in England, as compared with the price of the Company's tea, is any criterion of the comparative quality of the private trade tea, would not also the price of the tea bought in China by the private trade, compared with the tea bought by foreigners in China, also lead to a conclusion as to the comparative quality of those teas?—I have no precise knowledge of American prices, compared with the quality of their teas. I only know that during the season, which extends from October to January in each year, the tea is invariably higher from 20 to 30 per cent. than during any other period of the year; and therefore the teas of the same quality, congo, for example, that costs, during the season, 26 tales per pecul, will sell for 18 and 20 tales per pecul after the season is closed. If, therefore, one merchant can get it at this rate, I presume another can do the same.

5202. Is not that tea which is bought in the private trade in China, and which sells in this country at a price in many instances higher than the tea of the Company, very often tea which passes under the denomination of old tea?—Yes it is.

5203. Do not the persons entitled to the private trade purchase their teas in China at the reduced price which ensues after the Company's purchases?—I have understood that they purchase some portion of it, whilst some purchase the whole at the reduced price.

5204. May it not be presumed that much of the private trade tea is of that description?—I am not prepared to say that the greater part of it is old tea.

5205. Do you conceive that the captains of the Company's ships buy generally what is called the old tea or not?—Yes, they do, very often.

5206. Is it not probable, as the ships sail in December, that the captains of the Company's ships buy their tea at the same time that the Company does?—That does not always follow; because the captains and officers of the Company's ships may have correspondents in China; agents whom they can authorize to purchase teas for them when the tea is at the cheapest rate.

5207. If a foreigner at Canton purchases a quantity of tea at the same rate as a person in the privileged trade, does not the presumption arise that the qualities of those two portions of tea are equal?—Clearly.

5208. If a person in the privileged trade sells the tea which is so bought at a price equal to the price which the Company gets for its tea, is not it also a presumption that the tea which that privileged person sells is of as good a quality as that of the Company?—Clearly; it may be so presumed.

5209. Does not that lead to the inference, that the tea bought by the foreigner in Canton is of as good a quality as the tea sold by the Company in England?—I have always understood that the American tea is of equal quality, and sometimes superior.

5210. Is not that estimate of the qualities of the different teas an inference drawn from the prices which they respectively fetch at the Company's sales?—It is certainly a fair inference.

5211. You have stated that old tea is sold cheaper than the new tea in the Canton market; by the old tea is it meant tea that has been kept for a year, or only tea that has been kept over the period of the winter sales?—Only the tea that has been kept over the period of the winter sales. When the season closes, the tea is invariably called old tea, and sold as such, though only a month older than the other.

5212. Have you ever been in China?—Yes.

5213. From what source do you obtain your information as to the price at which the privileged tea is bought?—From various officers and pursers whom I have spoken to upon the subject in the city, and who have invariably given me the same information which I now submit to the Committee.

5214. Have you not had the sale of some tea?—Yes; some of the last season passed through our hands.

5215. Do the officers in the private trade invariably make their investments in tea at a period subsequent to the Company?—They have the means of corresponding with agents in China, and have therefore the means of making their purchases previous to their arrival, or before the season commences.

5216. Then the officers of the Company pursue the same custom that the Company do themselves, of making contracts for the teas previous to their being shipped?—They enter into engagements with the private merchants in Canton; but as to making regular contracts, I do not understand that they pursue the same course in that respect that the Company does.

5217. If they make engagements, would not those engagements fix the price?—Of course they will.

5218. What effect could the purchases of the officers of the Company have upon the market of China after the teas which

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they have engaged for are furnished to them?—The effect produced on the China market by the purchases of tea will of course be limited by the extent of those operations.

5219. In answer to question 4359, Mr. Melvill has stated, that on examining the calculations that have been given in by you, Mr. Bates, and Mr. Thornley, he finds "that one fallacy attends most of them, taking the valuation of the tale according to the rate of exchange at the period of unusual depression;" will you state how far that objection taken by Mr. Melvill applies as to your statements?—Confining myself again to the statement included in my answer 3454*a*, p. 429, I have taken the value of the tale at 5*s.* 6*d.* and the value of the dollar at 4*s.*; now when the dollar is at 4*s.* the sterling value of the tale will be found by a simple rule to be what I have stated, 5*s.* 6*d.* and a small fraction. It is the rate which I have adopted in this statement, because I know that dollars can be procured in China at that exchange. I have myself placed many thousand pounds sterling in China at a lower rate per dollar than 4*s.*; and I know that private bills have been received in this country drawn at the rate of 3*s.* 10*d.* and 3*s.* 11*d.* per Spanish dollar at six months' sight; I therefore maintain that I am perfectly correct in respect to the prices which I have adopted in this statement, as well as in regard to the rate of exchange. I beg leave to add, in regard to the other statements which I delivered in, that they have no reference whatever to the rates of exchange, as I before stated in my first examination upon this subject. I took out of official documents the cost in pounds sterling, which I found there stated as the prime cost of the tea; and I considered that to be the actual cost to the East-India Company, without any reference to the rate of exchange between tales and sterling money.

5220. Was the exchange of 3*s.* 10*d.* to which you have alluded, established by direct draft from Canton upon England?—By direct draft.

5221. Would you rely upon such an exchange for the whole purchase of tea, if the quantity was as large as that which the Company requires?—It would depend upon the intercourse between China and this country; if the intercourse were extended, and there was a great number of bills in the market, the exchange would of course rise.

5222. By a statement laid before this Committee from the East-India House, it appears that, in the year 1827-8, the rate of exchange per dollar was 4*s.* $1\frac{1}{2}$*d.* for six months, the sum drawn for appearing to be £16,129; can you state what has been the rate of exchange by bills from private merchants in that year?—I cannot precisely, without a reference to documents which I have not at hand. As nearly as I can now recollect, the private bills before referred to were dated the latter end of

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the year 1828. They were drawn on a merchant in the city at 3*s*. 10*d*. or 3*s*. 11*d*. at the utmost. This too is the prevailing rate of exchange now quoted in China, and has been for some years past, I believe.

5223. It appears also by the same account that, in the year 1828-9, the rate of exchange for the dollar was 4*s*. 2*d*., and that £35,791 is the total amount of bills drawn by the Select Committee at Canton on England; does the observation you made respecting the rate of exchange by private bills apply to that year?—It applies to the bills I have before mentioned, which were drawn at 3*s*. 10*d*. or 3*s*. 11*d*. about the latter end of the year 1828; but it is within my knowledge also, that from the difficulty of procuring bills in China, private merchants have remitted funds through the way of America; and though by this circuitous route, and consequently from the longer time bills had to run, merchants have been able to obtain rather a better exchange, yet those bills even have only realized in this country about 4*s*.

5224. Then is the opinion you gave before the Committee as to the rate of exchange unaltered, notwithstanding the statement made in the evidence of Mr. Melvill?—Quite so, as regards private transactions.

5225. Have you made any inquiries, in the mean time, of other persons connected and acquainted with the trade to China, upon that subject?—I am frequently in the habit of conversing with people in the city of London upon the subject of China and the China trade, and I have never derived any other information from experienced persons on that subject except that which I now give to the Committee.

5226. Do you happen to know whether, in the two years 1827-8 and 1828-9, bills were in considerable demand at Canton?—Bills are always in great demand at Canton. They must be in great demand, from the existing course of trade; and the reason of their being at so low an exchange is, because there are so few bills to meet the demand.

5227. Is that difference as to the exchange between you and Mr. Melvill confined to the period of 1828-9, or does your view of it spread over the whole period of the last fourteen years?—I cannot speak to the whole period of the last fourteen years from recollection, and have no documents at hand to refer to; but this rate of exchange would naturally prevail as long as the demand for bills should so far have exceeded the supply.

5228. In your answer to question No. 3454*a*, in page 429, in computing the price paid by the Company for tea at an average price for the whole period of the present charter, you compute the value of the dollar at 4*s*., whereas it is in evidence that the dollar in exchange has, during the greater part of that period,

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been much higher; do you consider that, in order to make an average comparison, the prices of the tea and the rates of exchange should have reference to the same period?—I have taken the average price in that statement of the Company's teas at 2*s.* 9*d.* ·92 per pound, from the official document referred to in my answer, and now upon the table of this Committee; but this is the sale price in England. With regard to the rate at which dollars may be procured in China by private traders I speak, it is true, of the present time, but the rate at which dollars can be procured has reference to the cost price in China. All, therefore, that I mean to maintain in that statement is, that the tea may be procured at the prices which I have given, *viz.* so many tales per pecul.

5229. Do not you consider that the rate of exchange and the price of tea should be compared in the same year, and that if the exchange is averaged, so ought the price of tea to be?—For the "second" head of comparison contained in my statement, I know no fairer way of making the comparison than that which I have adopted, *viz.* by taking what the Company have themselves declared to be the average sale price of the tea for the whole period of the charter, or 2*s.* 9*d.* ·92, and to compare the result with that of the price at which I believe it can be sold in this country, *viz.* 1*s.* 5*d.*; and having in the "first" head of comparison taken the sale price of 1828-9 to compare with that included in my statement (the average price of the Company in that year being only 2*s.* 3*d.* ·97), they have therefore the advantage of the difference between 2*s.* 3*d.* ·97 and 2*s.* 9*d.* ·92 in the "first" comparison.

5230. Do not you consider that if the average of the period be taken with reference to the exchange, for the purpose of computing the upset price of the article, the average of the price should also be taken for the same period?—I have taken the price in my Statement at which tea can now be purchased, that is, in the year 1828-9, and compared the resulting sale price in this country, "first," with the average price of the Company's tea in 1828-9, or 2*s.* 3*d.* ·97; and "secondly," with the average sale price of fifteen years, or 2*s.* 9*d.* ·92. Had I taken the average price of many single years previous to 1828-9 to compare with the sale price of my Statement, it might justly have been objected to; the result or comparison given in the Statement would, in that case, be more unfavourable to the Company; but I do not exactly comprehend what connection is supposed to exist between the rates of exchange in China and the sale price of tea in this country.

5231. Do you consider the rate at which bills may be negociated at Canton a fair test of the rate at which the Company could purchase their teas, to the amount of £2,000,000 a year?—The rate of exchange, in such a case, would depend upon

existing circumstances. It may be impossible for any body to say what would be the precise rate of exchange between Canton and England, if private individuals were admitted into that market, with the privilege of purchasing 30,000,000 or 40,000,000 of lbs. of tea every year, but in all probability it would be nearer the real par than at present.

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5232. Supposing the Company at present were pleased to pay for their tea in bills of exchange in London, do you think they could negotiate them at 3*s.* 11*d.*?—I do not think that they could.

5233. Supposing England were supplied with tea by the private trade instead of being supplied exclusively by the Company, do not you contemplate a very considerable change in the commercial intercourse between England and China?—A very considerable change.

5234. Do not you conceive that that change would, in all probability, tend to create a considerably larger demand for bills upon England than exists at the present moment?—Certainly; but a considerably greater supply of bills also.

5235. What has been the effect of the change which has taken place in the trade between England and India?—It has had the effect of altering the exchange most materially. When that trade was closed, or almost closed, to private individuals between England and India, I can remember the exchange, Calcutta on London, at 2*s.* 7*d.*, 2*s.* 8*d.*, and 2*s.* 9*d.* the sicca rupee; it is now at 1*s.* 11*d.* or from that to 2*s.*

5236. Has not the rate of exchange fallen considerably in China in latter years?—Yes; to the disadvantage of that country.

5237. Has not that fall, in a great measure, arisen from the increased intercourse which has taken place between India and China, and between Europe, America, and China?—I think it has chiefly arisen from the great difficulty there is in procuring remittances through the way of China. In proportion as the bills are few compared with the demand for them, the India and China merchants must, of course, pay a higher price for such as are in the market.

5238. Has not the difficulty of obtaining bills by remittance on England arisen from the want of the power in Englishmen to send home goods from China to England?—Certainly.

5239. Would not, therefore, an increased intercourse by a free trade of imports and exports very materially alter the state of exchange; and would not the balance in favour or against depend on the amount of exports as compared with the imports?—This would clearly operate as one cause.

5240. Would not the rate of exchange depend upon the balance of payments?—Exactly.

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5241. Would not the amount of bills procurable depend upon the extent of the commercial intercourse between the two countries?—Clearly.

5242. You have spoken of the variation of exchange with India since the opening of the trade; has not the currency of this country been changed?—It has.

5243. Since the restoration of the metallic currency, have not the exchanges become much more in favour of this country than they were before generally through the world?—No doubt the exchange will always depend in one respect upon the value of the currencies in which bills are drawn and paid; but the effect alluded to in the question is, I apprehend, the reverse of that anticipated from the opening of the China trade.

5244. In answer to question 4360, Mr. Melville states, that on examining your statement, he finds that you have fallen into the same error as Mr. Thornley, by taking the rate of exchange in one year and the prices in another?—I think Mr. Melvill must have misunderstood my statement in this respect; for in the estimates I have given of the Company's trade I did not refer to any rate of exchange whatever; I merely took the sum of the prime cost of the tea in pounds sterling, as given in the official document I then quoted, without any reference to the rates of exchange.

5245. Are you aware in what way his observation can apply to the statement on which he has observed?—It cannot apply to the statement included in my answer 3454*a*, p. 429; and if he refers to the statement I have given in respecting the Company's trade, he must have misconceived me, inasmuch as I did not in that statement, as before observed, refer to any rate of exchange.

5246. Does not it refer to the statement you made when you calculated what the tea could be bought for?—It may refer to that statement.

5247. Is it the fact that you have taken the rate of exchange in one year and the prices in another?—If reference be had to the statement included in my answer 3454*a*, p. 429, the remark will be found not to apply; but if the other statement be alluded to, it will be found that, in this respect, I have only followed the course of the official documents before the public, in which, where a comparison is drawn between the prime cost of tea and the sale amount, the prime cost of one year is taken and the sale amount of the following.

5248. Then are the Committee to understand that in all those statements the rate of exchange has nothing to do with your calculation?—With the statement relative to the Company's trade it certainly has not. If I am allowed, I would make one more remark upon this statement in answer to ques-

tion 3454*a*, p. 429, wherein Mr. Melvill objects to my adopting in this and the other statements five per cent. as the rate of wastage. In the statement included in my answer 3454*a*, p. 429, I have admitted the loss in weight and allowance to buyers, commonly called draft, to be equal to five per cent.; and I should be glad to explain to the Committee the grounds upon which I have formed that calculation. The Company are in the habit of granting a certain privilege to their commanders and officers upon their ships for the purpose of bringing home tea to this country, and they allow them, as I understand, to fill this privileged tonnage with tea at the rate of 9 cwt. to the ton. The commanders and officers, in availing themselves of this privilege, put on board for each ton 7 peculs 93 catties, or 8 peculs of tea. Now 9 cwt. are only equal to 1,008 pounds, whereas 7 peculs and 93 catties weight are equal to 1,058 pounds, or five per cent. more than the regulated allowance. That five per cent., therefore, is what they consider to be the amount of wastage on the passage home; and it is not likely, unless that was the common and average rate of wastage, that they would adopt it as the rule of filling their own tonnage; because if they are found upon their arrival in England to have exceeded the amount of their privilege, (that is, to have put more tea on board than they are allowed by the regulation of the East-India Company,) they are made to pay, as I understand, £60 per ton for every portion of the excess. We have, therefore, every reason to conclude that they adopt this five per cent. for wastage, on the ground of its having been proved, by their own experience, to be the amount of loss on the passage home. On *really* old tea the wastage is less, and may be estimated at two and a half to three per cent. There is, besides, another allowance in this country, but generally included under the term wastage, and that is an allowance to buyers of one pound upon every chest that is sold. Now a chest of black tea is seventy-two pounds, a chest of green tea about sixty pounds. This allowance, therefore, is of itself upwards of one and one-third per cent.; and when Mr. Melvill and Mr. Lloyd assert that the wastage and the allowance for draft together only amount to two per cent. (the wastage on the passage home being in this case little more than one-half per cent.,) it appears to me quite incredible, and altogether inconsistent with the experience and usage of private traders. By inserting five per cent. for wastage and draft together in my statement 3454*a*, p. 429, I shall therefore be found to have taken it against myself if I have rated it at too much; but I think, from what I have explained regarding the practice of the Company's officers, five per cent. cannot be considered as too much for the united allowance. At all events, in the future statements I mean to deliver in, I have adopted four per cent. as sufficient to cover the wastage upon the passage home, and allowance for draft in

13 May 1830. this country; and this I take to be a moderate allowance, as applicable to both descriptions of tea.

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5249. In the second division of the statement you have made, contrasting the price at which the Company supply tea to this country with the price at which it could be furnished by the private merchant, you have taken the average price of tea during the charter, as sold by the Company, to be 2*s*. 9*d*.; and you have taken the price at which it could be furnished by the private trader at 1*s*. 6*d*; would it not have been fair, as in forming that calculation of 1*s*. 6*d*. you have founded it upon the rates of exchange at Canton, to have considered what those rates of exchange have been during the whole duration of the charter?—It does not appear to me that the rates of exchange in China have any thing to do with the prices at which teas can be sold in England in sterling money. If the private merchant can sell his tea with a profit at 1*s*. 6*d*. per pound, I think it fair to compare it, as I have done, with the sale prices of the Company.

5250. In answer to question 3454*a*, p. 429, you have stated, that "in the above calculations the Spanish dollar is taken at 4*s*.; the rate of exchange at Canton was even lower last season, as many bills were drawn at 3*s*. 10*d*. and 3*s*. 11*d*. per Spanish dollar at six months' sight." Now if the Spanish dollar, instead of being at 4*s*., had been at 4*s*. 6*d*., would it not have affected the result at which you have arrived, so as to make the cost at which tea could be supplied by the private trader in this country above 1*s*. 6*d*.?—It would not. It would only affect the result as to profit. If the dollar cost the purchaser of the tea 4*s*. 6*d*. instead of 4*s*., that would be an advance on the prime cost of eleven per cent.; in that case the tea might still be sold at 1*s*. 6*d*. the pound in this country, and be supposed to leave a net profit to the importer of seven per cent. But I would beg leave to observe, that if the trade were thrown open, as I propose, it is not probable the exchange would rise to 4*s*. 6*d*. It is more likely to vibrate within limits nearer to the real par.

5251. When you state that tea could be supplied at 1*s*. 6*d*., and that the exchange is no relative part of its cost, upon what principle do you regulate the upset price?—A private trader in disposing of his goods has no upset price like that adopted at the Company's sales. In the statement of 3454*a*, p. 429, the average cost of the tea being regulated by a rate of exchange of 4*s*. per dollar, it appears from the result of that statement that the teas might be sold in this country at 1*s*. 6*d*. a pound, and then leave a profit of 18 per cent. to the importer. If the purchaser of the tea in China was obliged to pay higher for his tea there, that is, to purchase his dollar at a higher rate of exchange than 4*s*., the only effect it would have upon this state-

ment is, as before observed, to diminish the amount of the profit. 13 May 1830.

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5252. Is not your calculation made upon the lowest rate of profit at which a private merchant would carry on such a transaction?—By no means. The private merchant would be well satisfied with a net profit of 10 per cent., whereas upon the grounds of this statement he gets 18.

5253. Upon what grounds do you calculate that the private trader would be entitled to charge the public 18 per cent. profit?—I only say that if he got 1*s*. 6*d*. for his tea, upon the grounds of this calculation, he would get 18 per cent. as the result of the adventure; but it is probable that so high a rate of profit would soon come to be reduced by public competition, and then the private merchant would not be indisposed, I presume, to take less.

5254. Must not the cost of the tea be influenced by the rate of exchange?—I admit that it is; that is, the prime cost.

5255. You have given two statements, one of which is a calculation of what the profit will be on one year's actual transactions, and the other is a calculation of what the profit would be on the average of a given period; you have assumed that the sale price of the Company's tea would be 2*s*. 9*d*. for the whole period, and you have assumed that the price of the merchant would be the same; do you suppose that merchants could have procured assets to buy tea during the whole period at the same rame rate which you assume?—It is impossible to say at what rate merchants could have procured the dollar in China during the whole of that period, if the trade with China had been perfectly free; neither do I think there are any documents in this country which would establish that fact. In the event of a perfectly free trade, it is probable the exchange would not vary much from the real par; and I therefore repeat, that if, during any portion of the period, the dollar should have cost the private merchant more than 4*s*. the effect would have been to raise the prime cost of the tea in China, and to diminish, *pro tanto*, the result of the concern.

5256. If the dollar had been 5*s*. 6*d*, would not it have taken away the profit altogether?—No doubt it would; but that is a rate not to be contemplated. I will venture to predict, that if the trade is thrown open between this country and China, the dollar never will rise to 5*s*. 6*d*.

5257. Has it not done so in past years?—Yes; and so had the sicca rupee risen to 2*s*. 9*d*. under the influence of the Company's monopoly; but I maintain, upon the same grounds, that the sicca rupee in India can never again rise to 2*s*. 9*d*., so neither can the dollar rise to 5*s*. 6*d*., if the trade be thrown open.

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5258. You have stated that in estimating the cost of the tea you have had no reference to the rate of exchange?—I have stated that, in regard to the sale price, I have had no reference to the rate of exchange, but not with regard to the cost. I have said that a rise in the cost price will only diminish, *pro tanto*, the ultimate profit.

5259. Will you turn to the answer to question 4375 in Mr. Melvill's Evidence, in which he says, "I am prepared now to prove that Mr. Rickards's statements involve errors and omissions which, when corrected, leave a credit to the amount of £956,361," and so on, stating the amount of several years; have you examined those statements, and what observations have you to make to the Committee on the corrections given in by Mr. Melvill to those statements, beginning with the first for the year 1820-21?—I have examined those statements; and I would beg leave to observe, upon the statements which I delivered on former examinations to this Committee, that they are founded upon my interpretation of the 57th clause of the Act of 53 Geo. III. c. 155, the words of which it may be convenient here to quote: "That for and during the continuance of the possession and government of the said territorial acquisitions and revenues in the said United Company, the net proceeds of their sales of goods at home, with the duties and allowances arising by private trade, and all the commercial profits and other receipts of the said Company in Great Britain, shall be applied and disposed of in manner following; that is to say, first in providing for the payment of bills of exchange already accepted and hereafter to be accepted by the said Company, as the same shall become due; secondly, in providing for the current payment of other debts (the principal of the bond debt in England always excepted) as well as interest, and the commercial outgoings, charges and expenses of the said Company; thirdly, in payment of a dividend, after the rate of £10 per centum per annum, on the present or any future amount of the capital stock of the said Company." According to my view of that clause in the Act, it appears to me that the Company are required to pay out of their net profits the interest upon the home bond debt in this country (the principal being expressly excluded there when speaking of interest), together with the dividends upon their stock; and the object of those statements was to show that there was not a sufficiency of net profit upon the China trade (the only portion of the Company's commercial concerns that I had then any means of examining) to pay the whole amount of these dividends and interest. When I gave in those statements, it will be recollected by the Committee, that I observed upon them that it was impossible they could be altogether accurate; that they were consequently liable to corrections, and that having taken the items contained in those statements from certain official documents which I then referred to, having no

others before me to quote, I merely presented them as affording proof in the abstract of the position I had assumed. When, therefore, Mr. Melvill brought to this Committee certain corrections of those statements, it was reasonable to expect that he would produce an account, prepared upon mercantile principles, of the *actual* profit derived by the East-India Company at the several periods referred to; instead of which we have from Mr. Melvill an arbitrary combination of figures, which are not only not supported by any official document that I have seen, but are absolutely at variance with all those official documents now, as I understand, on the table of this Committee, as I shall proceed to prove. But before I go to the proof, I would beg leave to observe upon the explanation which is now given of the term *prime cost.* In my original statements I took prime cost to mean, what every other private merchant would do, the actual price paid by the purchaser to the seller of the commodity; whereas we are now informed that the "prime cost" of Leadenhall-street includes a variety of items which it was impossible for any private merchant, or I believe any human being, to conceive would have been included in the term prime cost, unless he had been previously admitted into the arcana of the India-House. That prime cost, as now explained, means, it appears, not the prime cost of the tea, but the prime cost of a certain quantity of woollens from England and cotton from India, with the charges of freight, insurance, and other items included therein (not added); amongst which I find, or rather I infer, from the examinations of Mr. Melvill and Mr. Lloyd, that the following are component items: *viz.* "the cost of maintenance of the Factory, comprising rent and repairs of private apartments, as well as furniture supplied thereto, and the expense of the public table kept in the Factory;" that it also includes "rent, repairs, and furniture, including a charge of six per cent. per annum on buildings and other dead stock, the property of the Company in China; Canton port charges; duties on imports sold by auction; unloading charges; expense of the removal of the Factory establishment to and from Macao; charge of the Company's schooner, boat-hire, &c.; ditto on account of their reception on board the Company's ships during discussions with the Chinese authorities; linguists' fees; Chinese masters, &c.; stationery and articles for use; wages of coolies and watchmen; packing charges, &c.; petty expenses; printing establishment." These are Chinese charges. Besides which there are superadded, as incurred in England, "a proportion of the charges of establishment and shipping charges attaching upon the Company's exports to China." This is the explanation now given of the term "*prime cost*" at the India-House; and if I have been led into error in the first instance in not conceiving the possibility of "prime cost" being made up of such a host of incongruous items, I hope to stand perfectly justified in the opinion of the

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Committee. Now, however, that we understand what "prime cost" means, I shall of course adopt it in its new sense in the future statements which I have to lay before the Committee. In respect to the article of prime cost, therefore, I stand corrected under the explanation now given. But with regard to the next item, or the sale quantity per contra, given in Mr. Melvill's corrected statements, he has, I presume, adopted an estimated amount, by taking the sale quantity at two per cent. less than the original quantity, on the supposition of two per cent. being a sufficient allowance for wastage, which, according to the explanation I have given in reference to my former statement, I take to be perfectly erroneous. He has, moreover, adopted an estimated amount as to the sale proceeds of tea, for I cannot find either that quantity specified by him, or the amount sale proceeds thereof, in any one official document now upon the table of the Committee. On the contrary, in the official documents upon this table, both the quantity of tea sold in the periods referred to in these corrected statements of Mr. Melvill, and the amount of sale proceeds, are widely different from the quantities and sums he has adopted; I have therefore a right to conclude that these items are estimated or arbitrary insertions. In respect to freight and demurrage, I have not the same means of tracing these items through all the different periods contained in the four corrected statements of Mr. Melvill; but I find that it does not agree with one period in which there is an exact official account of the China freight, and that this differs very materially from the amount given by Mr. Melvill; whence I can only infer that the whole of these items for freight and demurrage in his four corrected statements are likewise arbitrary insertions. In the corrected statement for 1827-8 by Mr. Melvill, he states, for example, the freight and demurrage at £550,866, whereas in the official documents before referred to, or No. of the "accounts and papers delivered to the Committee, 1830," where the freight upon the outward trade to China and the trade to the colonial possessions at the Cape of Good Hope and North America is separated from the homeward freight from China to England, this latter freight is there stated, for 1827-8, at £647,319.

5260. Have you any other means of comparing the charges introduced by Mr. Melvill for freight in the other statements, to ascertain how far the same variation exists which you have shown in the single official document you have?—I have no other official documents for the periods given in the four corrected statements.

5261. What observations have you to make on the other corrected statements?—The other charges contained in Mr. Melvill's corrected statements are as follows: viz. £82,114 for Canton salaries; £173,520 for charges in England; £236,287

for interest, and £58,654 for insurance; making a total of £550,575. On these items I have to observe, it is not a little remarkable that these charges are precisely the same in every one of Mr. Melvill's corrected statements, although they are for four different and distinct periods, viz. 1814-15, 1820-21, 1827-28, and an average of fourteen years. Now it is quite impossible that those charges could have been the same in each of those periods; on the contrary, we know from official documents upon the table, that the charges vary constantly from year to year. The insertion, therefore, of the same charges in every one of the corrected statements must unquestionably be incorrect; they cannot be otherwise.

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5262. Have you the means of showing the difference between the actual charges for those four items by the official documents before this Committee and that account given in by Mr. Melvill?—I have for the year 1827-8, and will give it in a statement I have prepared for that purpose; meanwhile I would remark, upon the circumstance of those charges being invariably the same throughout the whole of Mr. Melvill's corrected statements, that they absolutely invalidate the whole. They are not, and cannot be, those correct statements of the Company's China trade which it was reasonable to expect would, on such an occasion as this, have been furnished from the India-House. There are, however, other objections taken by Mr. Melvill to my statements, which I should like to explain; and first, with regard to the interest, which is £236,287, in the year 1820-21. Considering that this is a statement of profit or loss on a particular adventure or branch of trade, and drawn out for no other purpose than to ascertain whether there was a sufficiency of net profit to pay the interest upon the home bond debt and the dividends upon stock, I maintain that the charge of interest is a fair item to be introduced into that statement. In the first place, my position is, that the whole of the money included in the prime cost, *viz.* £1,874,840, is money borrowed from the revenues of India. The Company have no other capital to trade with. They are supplied entirely with funds from the revenues of India. I believe the revenues of India to be the sole support of their commerce, without which they could not have existed so long as they have done as a commercial body. I have a number of documents to prove this fact, which in due time I may perhaps be called upon to produce; but in the mean time I would only advert to one circumstance, which happened in the year 1813, when Mr. Cartwright, the late Accountant-general of the East-India Company, was examined before the Select Committee of the House of Commons, of which I was then a member. Mr. Cartwright, upon that occasion, was asked a question with regard to the Company's capital; and his answer was simply this: "Capital, Sir; I have been forty years in the Company's service, and I never could

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find out that they had any capital at all." There are gentlemen now alive who were present at this Committee, and well recollect his, Mr. Cartwright's, answer. It was modified afterwards, in consequence of some discussion that took place at the Committee, one of the Directors being present, and rather displeased with Mr. Cartwright for giving such an answer, and he was allowed upon application to alter it. I am then justified, I think, in saying that if this money is borrowed from the revenues of India, and which I am confident is the case, interest thereon is fairly debitable to this account. It appears to me, indeed, that a larger sum of interest than the amount here specified should be carried to the debit of this adventure; for I observe in one of the examinations of Mr. Melvill, that he states that interest upon this account is only calculated for eighteen months. The interest, however, fairly chargeable, upon mercantile principles, in this statement, ought to be nearer three years and a half; and therefore, if it was taken at three years, it would be double its present amount. As this, however, is the amount given in, upon official authority, we shall take it at £236,287. It may be as well to explain my reason for saying that three years at least ought to be, upon mercantile principles, included in that account. Mr. Melvill admits in his examination, answer 4298, that, according to "ordinary usage, as respects interest being included in the invoice charges with the Parliamentary enactment, the upset price of the tea should include interest from the time of the first expenditure to the time when the sale proceeds of the tea are realized." This is a fair principle for calculating interest. According to this principle, I would beg leave to explain to the Committee that the largest portion of this sum of prime cost being furnished in goods from England and from India, is supplied in the following manner: There is a certain quantity of goods purchased in England, in all probability two or three months before they are embarked on board the Company's ships. These ships sail, say in the month of January. Those that proceed by the way of India go to receive cargoes of cotton, which are also provided about the same time as the English goods are. They all arrive in China in the autumn of that year. They are despatched from China in or about December, laden with tea, and arrive in this country in May or June of the following year. We have here a lapse of one year and a half; and as the cargoes brought home, according to Mr. Melvill's own admission, remain in warehouse upon an average twenty months, and are then sold at two or three months' prompt, there is therefore a period of about three years and a half between the time of the first advance of the money for the purchase of those goods, and the time when the sale proceeds of the teas are realized. On these grounds I infer that a larger sum of interest ought to be included in this account than is here inserted, for this is avowedly no more than

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eighteen months' interest upon sums advanced to make up what is called the prime cost. With regard to the insurance, the next item in this account, Mr. Melvill takes credit in his corrected statements (after debiting the account with the premium, or £58,654) for £44,593, as saved by them (the Company) in the mode of effecting their insurance. Now it is very possible that they may have saved this amount in the mode of effecting their insurance by being their own underwriters. If they have done so, I still say that this credit item has no business here. Upon mercantile principles, it ought to be credited in their underwriting account, and nowhere else. On the other hand, the charge for insurance, being three per cent. upon the value insured, is a regular mercantile charge in all invoices and accounts of this nature: it is a sum which the merchant either pays to another or to himself for the risk he runs in regard to the capital employed. If he is his own underwriter, he must keep a regular account of such transactions, and whatever he gains or loses must be carried to the debit or the credit of the underwriting account, and nowhere else. It may finally be remarked, with reference to these credits, termed "amount of interest earned on the Company's own capital," of £236,287, and the "amount saved by them in their mode of effecting their insurance £44,593," that these also, in like manner with the charges, are carried at the same unvarying amounts through every one of the corrected statements for the four separate periods. Nothing therefore can be clearer, in my opinion, than that such insertions as these completely invalidate the whole of those statements.

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SIXTH REPORT.

THE SELECT COMMITTEE appointed to inquire into the Present State of the AFFAIRS OF THE EAST-INDIA COMPANY, and into the TRADE between *Great Britain*, the *East-Indies*, and *China*; and to report their Observations thereupon to the House; and who were empowered to report the MINUTES OF EVIDENCE taken before them from time to time to the House;—

HAVE made a further Progress in the Matters to them referred, and examined several other Witnesses; the MINUTES of whose EVIDENCE they have agreed to report to the House up to the 3d day of this instant June, inclusive.

3d June 1830

MINUTES OF EVIDENCE.

Lunæ, 17° *die Maij* 1830.

WILLIAM WARD, Esq. in the Chair.

ROBERT RICKARDS, Esq. again called in, and examined.

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5263. You have stated that you consider that the trade is carried on by means of the territorial revenue of India?—I conclude it is, from an examination of the official documents before the public.

5264. Are you aware that money to the amount of £3,000,000 sterling per annum is paid in this country to the account of territorial charges?—Latterly it has amounted, I believe, to about £3,000,000 sterling; but not to so much in previous years.

5265. Are you able to say from what source those funds are derived that form those £3,000,000?—It appears to me that they are derived from the surplus revenue to India, and remitted to this country in goods from India and China.

5266. Must it not depend upon whether there is a profit upon those goods; whether there is any source from which that territorial revenue can be defrayed?—As regards the result of the trade, it would appear from the official documents which I have had an opportunity of examining, and now on the table of this Committee, that the trade with India is attended with loss, and the trade with China with a small profit.

5267. Supposing the goods that are sent from India in any one year to defray those territorial charges, in what manner are the territorial charges of the next year defrayed?—In the same way, from goods purchased in India and in China, and remitted to this country for sale.

5268. Then you are not able to point out any other source from which those territorial charges paid in this country are defrayed but what you have stated?—I cannot, from any of the printed official documents I have seen.

5269. Do you consider the trade to be a losing one?—I am led to that conclusion from the examination of the official documents.

5270. From what period do you consider that trade to be a losing trade?—I have in my possession, but not here, the official statements laid before parliament by the Court of Directors for about thirty-five or thirty-six years; and from these statements I can only infer that the trade has been a losing one throughout at least the whole of that period.

5271. You say the profits on the China trade are small?—According to my view of the documents, there would seem to be a small profit on the China trade, but not after paying dividends and interest on home-bond debt.

5272. And yet you say that this payment of £3,000,000 a year is made from the proceeds of that trade?—From the proceeds of the sale of goods for which the revenues of India appear to me to have furnished funds.

5273. But still it is through the medium of that trade only that those territorial charges are defrayed?—From the sale proceeds of the goods, not from the profit.

5274. Then you still persist in the opinion that the territory supports the trade?—I do.

5275. Would your opinion remain unaltered if it were shown to you that Lord Melville, Mr. Canning, Mr. Bathurst, Mr. Williams Wynn, and Lord Ellenborough, in their offices severally, as Presidents of the India Board; that the Marquis of Hastings, Lord Amherst, and Lord William Bentinck, as Governors-general; that the several Chairmen, Court of Directors of the East-India Company; and that all the accountants of the India Board, of the Bengal government, and of the Company, totally differ from you in that conclusion, and unite in agreeing that, since the accounts were separated, the territory has derived resources and aid from the trade?—The question, I admit, contains a host of most respectable authorities against the conclusion I have drawn, but opinions on either side do not amount to proof. The real truth, whether there be a gain or a loss on the Company's trade, whether the territories have supported the commerce, or the commerce supported the territory, must depend upon the result of figures; that is, of figured statements so prepared as to satisfy merchants and the public at large of the alleged fact. I mean to say that no satisfactory conclusion can be drawn upon this head from any of the official documents I have seen in print; I refer, therefore, entirely to these official documents, without meaning to impugn the opinions of the gentlemen whose names are quoted in the question, for whom, on the contrary, I entertain the highest degree of respect.

5276. If these documents never satisfied the public, how comes it that the successive officers who have been named should have still persisted in their opinion, in contradiction to yours?—I am not responsible for their opinions; neither do I mean, in stating

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to the Committee the grounds of my own opinion, to insist upon it that I am absolutely right; I merely say that I have formed this opinion upon the official documents which have been laid before parliament. If further statements can be produced to induce me to alter that opinion, I shall be most ready to acknowledge it.

5277. But for the present you remain of the same opinion you have expressed?—I must remain of that opinion as long as the documents now before the public are the only ones which I am enabled to refer to.

5278. You say that the documents are unsatisfactory?—The documents, in my opinion, do not establish the fact of the commerce of the East-India Company being so profitable as to aid the revenues, but the reverse.

5279. Have you any satisfactory document upon which to come to the opposite conclusion?—I would not assert this opinion so roundly as I do without having documents to support it; but I have not those documents at hand, not expecting to be examined to this particular point.

5280. Are they official documents?—They are, all of them.

5281. Then are the official documents satisfactory to bring you to the conclusion you come to?—They have led me to that conclusion.

5282. Those official documents are of course known to all the persons whose names have just been mentioned?—They are before the public.

5283. Do you not think that in a point of so much importance as that of correctly ascertaining the state of the Company's affairs, it would be more desirable that this Committee should be guided by documents framed expressly for such a purpose from official sources, than by statements compiled from different accounts, which, however correct in themselves, from being framed for different purposes, may not admit of their being combined into a general result by persons not conversant with the Company's mode of keeping accounts?—A correct and comprehensive view of the real state of the Company's affairs, prepared on mercantile principles, and officially certified, is the very thing that is now wanting, and ought, as I think, to be produced. Meanwhile I can only add, that I have formed no opinion, nor drawn any conclusion as to the territory supporting commerce, except from the official documents I have seen in print. Those official documents are not now at hand, from my not expecting to be examined upon this particular point; but I shall be ready to give all the information in my power as to the grounds upon which my present opinions are founded, whenever I am called upon for that purpose.

5284. And from these official documents you have formed your opinion that the territory supports the trade?—Yes.

5285. Do you conceive that you have seen official documents proving that the territory has produced a surplus competent to defray all the charges which have been paid in England on account of the trade?—That is my conclusion, that the surplus revenue in India has been sufficient, and more than sufficient, to pay all the charges in England.

5286. And that that appears from the official documents you have seen?—Yes.

5287. When you say that the territory has produced a surplus which has supported the trade, do you exclude from your estimate the territorial charges arising from a state of actual war, and confine yourself to what you consider the ordinary revenues and charges of a time of peace?—The official documents which I have examined appear to me to include all the charges of the periods of war; and it is on this presumption that I say there is still a surplus revenue exhibited on the face of the accounts.

5288. How do you account for the accumulation of a large debt?—That would lead to a very long discussion, which I am prepared to enter into, but I have not the documents at hand to support the opinions I should give upon that subject; and, with deference to the Committee, I think it had better be postponed till these documents can be regularly laid before them.

5289. Can you refer to the particular documents upon which you form your opinion that the trade is supported by the territory?—The principal documents that I refer to are the annual accounts of the state of the revenues, and other matters, which are laid by the Court of Directors before the House of Commons annually.

5290. For how long back?—I think I have got them in my possession for about thirty-five or thirty-six years back.

5291. Do you mean to say that those accounts exhibit annually a surplus revenue sufficient to pay the charges of the trade?—They do, to my judgment.

5292. Including all the expences of war?—Including the expences of all the wars the Company have been engaged in during that period, presuming always, as I have said before, that those expences are included as they appear, and ought to be, under the head of "charges" in the accounts alluded to.

5293. Then you conclude that the large debt contracted by the Company has arisen entirely from losses on trade, and would not have arisen from any transactions as sovereigns of India?—If my opinion is correct as to the state of the revenue accounts, there is no other inference to be drawn in respect to the accumulation of debt.

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5294. What does the surplus of the territorial revenue amount to, in your estimation, during the last fourteen years?—I could not state that without having my papers by me.

5295. Can you, by reference to the papers presented by His Majesty's command to this Committee, state what has been the advance by the territory to commerce in India, and what have been the payments in England for the territory by the Company, for the year 1814?—In No. 13 of the Papers relating to the Finances of India and the Trade of India and China, presented in February 1830, the total amount of advances made at the several presidencies and settlements of India for the purposes of commerce, in so far as regards the purchase of investments for Europe, from the year 1814-15 to 1826-7 inclusive, is £30,545,069, of which £24,338,050 are stated to have been issued in repayment of territorial charges defrayed in England. In No. 2 of the same papers, being an account of the revenues and charges of India, the total of the territorial charges paid in England are stated to be included, and for the period here referred to amount to £20,893,206. It appears, therefore, from this account, that a balance of £3,444,844 would be due to the territory; whereas in the Account No. 25 of the same papers, the territory is debited in the sum of £8,142,103. These are discrepancies in the official accounts before the public, which can only be reconciled by the officers of the East-India House. There are no explanations given by which a private individual inspecting these accounts can possibly effect this reconcilement.

5296. Are the Committee to understand that accounts No. 13 and No. 2, which you have quoted, support the view you have taken, that only twenty millions had been advanced in that time on account of territorial charges in England?—This is certainly one fact in corroboration of the view I have taken.

£20,893,206.

5297. Will you state to the Committee what appears by these documents to have been advanced by the territory to commerce in the same period?—The sum total advanced for the purposes of commerce is thirty millions, of which twenty-four millions are stated to have been applied to the repayment of territorial charges defrayed in England.

5298. Does it not further appear in a subsequent column, that £6,207,019 were issued from the commercial funds in India?—It does; and I was going to add that when I was interrupted.

5299. You were understood to state that the sum of £30,545,069 was advanced in India from the territory for the purposes of commerce; the Committee also understood you to have said, that out of that sum of £30,545,069 the sum of £6,207,019 was advanced to the commercial funds in India; how do you reconcile these two answers, the one expressing that the whole sum was advanced for the territory, the other that a

considerable part of it was paid for the commerce?—I have, it is true, stated in a former answer, that I believe the commerce to be wholly supported by advances from the revenue funds; but when I answered the question referring to this account I quoted the very words contained in the head of each column, and therefore I feel quite confident that I have quoted it correctly.

5300. Then the Committee is to understand that you dispute the correctness of that heading of the last column which states the sum to have been issued from the commercial funds?—The issue is here stated to have been made from commercial funds, and I have no doubt it is so; but according to my view of the Company's accounts, I should conclude that this also was advanced in the first instance from the revenues.

5301. Then, in fact, you do not speak now so much from the accounts themselves as from the correction which you conceive your knowledge has enabled you to make of those accounts?—I speak from both.

5302. Is it your opinion, then, that what are stated in this heading to be commercial funds are in point of fact, when examined into, funds derived from the territorial revenue?—In consistency with the answer that I have given, in the early part of the examination of to-day, I conceive these commercial funds to have been also originally derived from the revenues. With the funds thus derived goods are purchased in India, and consigned to this country. Out of the proceeds other goods are returned to India for sale, and constitute there also a head of commercial funds. In this way, if my view of the state of the Company's accounts is correct, these £6,207,019 are also in the first instance derived from territorial resources.

5303. Then you conceive that the surplus revenue has been competent to supply those advances to the commercial funds?—That and the debt together. This sum, therefore, of £6,207,019 stands upon the explanation I have just now given.

5304. Upon what grounds more particularly do you form the opinion that these £6,207,019, which have been considered by the Company and by the Board of Controul to have consisted of commercial funds, has in fact consisted of territorial funds?—I have explained my reasons for entertaining that opinion very fully in the evidence I have just given.

5305. You have stated that the territorial charges paid in England since the charter amount to about £20,000,000, according to the account No. 2, and you conceive that that column of the account gives you the whole of the deficiency of the revenue in India?—It seems to be stated here as the sum of the territorial charges paid in England.

5306. Are you not aware that in the latter years of that pe-

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riod there was also a deficiency in India, appearing on the face of the accounts, to the amount of above four millions and one half, under the head of "Remaining Indian surplus charge?" —I have not that account before me; but I dare say the deficiency is so stated in the official accounts laid before Parliament as they are now prepared.

5307. Is not that sum to be added to the total amount of the deficiency of the revenues of India?—In the statement I shall lay before this Committee, to support the view I have taken of the Company's financial accounts, I shall include that £4,000,000, and every other deficiency. My opinion is, that there is no deficiency upon the whole; that there must be a surplus, if the printed official accounts are correct. I rest my opinion entirely upon them.

5308. Are you aware that a sum of nearly £5,000,000 has been applied as part of the surplus commercial profits to the payment of the territorial debt since the charter?—I have seen that sum stated as a memorandum at the foot of one of the official documents in this collection of papers; but I cannot find out from this, or from any other official document contained in this collection, whence that commercial profit arises.

5309. Then you conceive that, as it cannot be proved to have come from commerce, it must come from the territory?—It is impossible to tell from this account where it comes from.

5310. Does the account of the territorial revenue and charge show a capacity not only to defray all the expenses in England; but this additional sum of £5,000,000, in this circuitous way, returns through commerce?—I think the territorial account, when fairly analyzed, will exhibit a very large surplus.

5311. Do you mean to imply that some heads, either of revenue or charge, are improperly stated in the account No. 2? —I am sure that if I was to give my view of the case here, without having my papers at hand, and official papers to refer to, I should only lead the Committee into a very troublesome discussion, and occupy their time, in all probability, unnecessarily.

5312. Does it not appear in account No. 2 that the whole of the interest on the India debt is charged separately from the territorial charges paid in India?—It does.

5313. Is not a part of the interest on the India debt paid annually in England out of the commercial funds; and ought not, therefore, the interest so paid to be added to the territorial charges which are to be levied in India for advances made in England?—Certainly, if the debt itself is territorial.

5314. If, therefore, the interest so paid be added to other charges, may not the territorial charges paid in England during the period since 1814 exceed the sum of £24,338,050, which

is stated in No. 13 to have been repaid in India for advances in England?—The official accounts will show that. I cannot state it from a cursory view of these accounts. I cannot tell from these accounts whether any portion of the interest on the debt is included in the territorial charges paid in England; but if, after paying the whole interest on the bond debt, as included in that column, and after paying the whole of the territorial charges included in the other column, there shall still appear to be a surplus revenue, it appears to me to be quite indifferent, whether, as regards the ultimate result, any portion of that interest on debt be paid in this country or in India.

5315. If you will refer to answer 3454*a* in page 429, in your second Statement, you will see that you have assumed that the average price at which tea could be supplied by the private merchant is 1*s*. 6*d*. a pound, including a profit of 18 per cent. to the merchant; does that include interest for the capital employed, as there does not appear to be any included?—No, it does not include interest, because the money is supposed to be raised by bills, in which case no interest would be chargeable; the interest would be included in the rate of the exchange.

5316. If it is supposed to be raised by bills, would you assume that the tea should be sold as soon as the bills became due?—The tea imported into this country by private merchants would in all probability be sold either before the bills fell due, or much about that time, the bills being supposed to be drawn at six months' sight.

5317. Are you not aware that the Commutation Act, by requiring a stock to be kept on hand, precludes the selling of tea before its arrival?—It precludes the Company, but it would not, on the supposition I have assumed in those statements, preclude individuals from doing it.

5318. At what rate do you value a dollar in the computation of 1*s*. 6*d*. per pound; do you not value it at 4*s*.?—I have in this statement valued it at 4*s*.

5319. Supposing the dollar were 4*s*. 6*d*., would not the profit be greatly reduced?—I have stated already that the effect of it would be to reduce the profit, and not to affect the sale price in this country; but as the profit is a very ample one, *viz*. 18 per cent., there is abundant room for reduction from any variation that might take place in the rate of exchange, and still leave the merchant importer an adequate return for the employment of his capital.

5320. If the dollar were at 5*s*. 6*d*. or 5*s*. 9*d*. or 6*s*., would there not be a loss?—Certainly; but I cannot contemplate the possibility of the exchange rising to 5*s*. 6*d*. or 6*s*. per dollar, in the event of a perfectly free trade being opened to China.

5321. Are you not aware that it is stated in the official docu-

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ments before this Committee, that in some of the years since 1814 the dollar has, in actual transactions, been exchanged for even 6*s.*?—I believe it has been quoted at that rate; but the exchange between Canton and England during the period of the Company's monopoly is no guide for concluding what the rate of exchange would be under the circumstances of a free trade. We have had a remarkable instance of that in respect to Indian exchanges. When the Company had a close monopoly of the trade to India, our rate of exchange was then as arbitrary at Calcutta as it is now at Canton; the rate of exchange then was within my recollection as high as 2*s.* 9*d.* the sicca rupee, and very shortly after the trade was thrown open, and began to feel the operation of the adventures of private merchants in India and in England, it fell to 1*s.* 11*d.* and 2*s.* If the trade was thrown open to Canton I should anticipate that the exchange would be regulated by the same causes, and accordingly vibrate about the real par, being sometimes a little above, and sometimes below that standard, which, as regards dollars, is 4*s.* 3*d.*

5322. Were not the high exchanges which you speak of, 5*s.* and 6*s.*, and the high Indian exchanges at the same period, in consequence of the Bank of England being at that time not open for payment in specie, and that dollars were in the same proportion advanced in England?—That may have been one cause.

5323. Is it possible that the exchanges of China and India with England, any more than the exchanges between any one country and another, can vary beyond the expense of conveying the precious metals from one country to the other?—Certainly they never would, if the commercial intercourse between the two countries were free; but under the operation of the Company's monopoly in India, for example, the case was widely different. The Company had adopted the exchange of 2*s.* 6*d.* the sicca rupee, for their remittances to England, to discharge interest on their loans, and for other purposes, and that had a material effect in regulating the then existing exchange; now I consider the exchange between England and India to be operated upon by precisely the same laws which regulate it with all the countries of Europe.

5324. That is, by the charge of conveying the precious metals from one country to the other?—Certainly.

5325. Are you aware that an export duty was laid by the East-India Company on the exportation of treasure from India to England about the year 1811 or 1812?—I believe it was the case, but I cannot at this distance of time speak from recollection alone very precisely as to the amount of the duty, or the time during which it was in operation.

5326. In point of fact, do you know that the exchange con-

tinued as high as 2*s.* 9*d.* till the year 1817 or 1818, four years after the charter?—It continued high until 1817 or 1818; that is, until it felt the full influence of a freer trade.

5327. You have referred to the effect upon the exchange by opening the trade with India; do you not think there is a great difference between the effect of opening the trade with India and what might be the effect of the same measure with regard to China, because in India no internal regulations exist which interfere with commerce; whereas in China internal regulations proceeding from the authorities in China would so interfere, that the rate of exchange would not be so acted upon as it would be in India?—I should think that the rate of exchange would be in a great measure regulated between China and England by the operations of the traders themselves, and that altogether independent of the restrictions that might be laid on by the Chinese government, more especially when I perceive that in regard to some of the most important articles of trade now with Canton, the restrictions of the Chinese government are completely set at nought by the merchants who trade in those commodities.

5328. If your computation of 1*s.* 6*d.* per pound have reference to the whole period since 1814 and 1815, is it not clear that the private merchant who sold his tea at that price would have been left greatly out of pocket, in many years, when, for instance, the dollar was worth 6*s.*; and if your computation be not intended to embrace the whole period, then do you not perceive that in your second statement, in answer 3454*a*, in page 430, you have contrasted your assumed price of 1*s.* 6*d.* with the Company's average price of the whole period, as stated by you in the first line of the statement in page 429, and consequently that the comparison which you have made must be fallacious in its results?—My comparison under the head "Secondly," with the Company's prices, is introduced incidentally. The actual comparison which I have rested upon is the "first" comparison, wherein the rate of exchange in China, and the sale price of the Company in this country, are taken for one and the same period. When I was examined upon this subject on Thursday, I observed that I really could not exactly comprehend the exact connection that was endeavoured to be established between the rate of exchange in China and the sale price in this country, because these two things are governed by very distinct causes. If a private merchant cannot get 1*s.* 6*d.* for his tea in this country, he must take less or else hold the commodity. The sale price in this country will always be governed by the state of demand and supply. As to the rate of exchange in China, when it is quoted at 6*s.*, I take that to be a perfectly arbitrary rate of exchange; the exchanges quoted in private letters from Canton are very frequently stated to be

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perfectly nominal. There is, in fact, no rate of exchange in China regulated by the same rules that govern the rates of exchange between the different countries in Europe; but I do conceive, and I think it will be proved, if the trade should ever be thrown open to China, that the dollar can never rise to that amount again; it will probably be confined within the limits of from 4*s.* to 4*s.* 6*d.*, the real par being 4*s.* 3*d.*, and in all probability nearer to the real par than the utmost extent of those limits; and if the trade had been thrown open for the whole of the period alluded to in this second comparison, I for one must be of opinion that the exchange never would have exceeded those limits; I therefore think that I was justified in introducing this second comparison in the way I have done it here, more as an incidental comparison than as a real comparison, such as that which is introduced under the first head.

5329. You are aware that a great part of the purchases made at Canton on American account are effected by dollars sent out from this country or from America; what does that dollar cost the parties in China who send it out?—The price at which they can procure it in America, with the usual charges of exporting it to China. But the Americans, who were formerly in the habit of conveying dollars alone to China for the purpose of purchasing investments, and for the obvious reason that they could not supply themselves with funds in any other way, have now for a series of years taken also the manufactured goods of this country, which they have latterly carried in larger and larger quantities to Canton; what, therefore, the dollar or the tale costs them in China I cannot exactly tell.

5330. In your last examination you said that Mr. Melvill's corrected statements were arbitrary, because they contain precisely the same sums as the charges of interest and insurance for each year; have you not done exactly the same thing in your statement; and if such insertions invalidate Mr. Melvill's corrections, is not the conclusion inevitable that your statements are invalidated by the same cause?—When I delivered in those statements to the Committee I informed them that I had only official documents for the years 1820 and 1821, to refer to; having no other than those of 1820-1, I was obliged to include the charges contained in that document as an estimate in all the other statements I delivered in; but the case was widely different with Mr. Melvill: he had all the accounts of the India-House at command, consequently the means of stating the exact amount of the Company's profit for each of the periods for which those statements were given, instead of which he has adopted for every one the same amount of charges for salaries, charges in England, with interest and insurance, which of course, in my opinion, and I should think in the opinion of every merchant, must invalidate the whole of his

corrected statements. Since those statements were drawn out I have had an opportunity of seeing other official documents, from which all the charges on the Company's trade for one year may be more accurately collected, and I could, if the Committee desire it, deliver in a correction of former statements for the year alluded to; one that I think would at all events be a nearer approximate to the truth, that is, to the real result, than any that have yet been exhibited. 17 May 1830.

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5331. In correcting your statements would not it be natural for Mr. Melvill to take the same years which you yourself had taken?—Certainly; but when Mr. Melvill came to correct errors in my statements, which I admitted from the very beginning those statements were liable to, I should have thought it reasonable to expect that he would have produced an actual statement of the out-turn of the Company's trade with China, if not with India, for the years adverted to, and the more especially as no such statement has ever yet been exhibited to the public.

5332. Although such a statement would be very valuable, would it be a correction of your particular statement?—If he showed the exact result of the Company's trade, and could show that there was such a profit upon the trade as he has deduced from his corrected statement, then it would be a real and satisfactory correction of my error, instead of the fanciful or estimated one he has now given, and which, in such case, I should be most ready to acknowledge.

5333. You have expressed your belief that the deduction to be made from the tea imported by the Company for wastage and allowance must exceed two per cent.; would not your opinion be changed if by official documents it should appear that you are mistaken?—Of course it would, as regards the Company's importations, if the document were complete, and certified under official responsibility.

5334. As you in your statements assumed the gross imports of one year as the quantity all accounted for in the sales of the succeeding year, reckoning the difference as wastage (in the amount of which you and the Company are at variance), was it not proper, in correcting your statements, to bring to account the difference; and should you not now say that this is explanatory of the variation between the sale quantity in your statement, and that introduced by Mr. Melvill, as far as that difference went?—Upon my examination on Thursday last I explained very particularly the grounds on which I adopted four per cent. as a moderate allowance for wastage, including what is called the allowance for draught in this country. That two per cent. should cover those two heads of wastage appears to me almost incredible; more especially as the allowance for draught, as it is called, amounts to very nearly one and a half

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per cent. of the whole amount; and therefore, to suppose that there has only been one-half or two-thirds per cent. of real wastage upon the tea on the passage home, is a circumstance which I cannot account for; neither is it consistent with the experience of any private merchant who has traded in tea that I have consulted on this head. I may further add, that the Company allow equal, on an average, to about one-half per cent. on what is called the turn of the scale. These two allowances, therefore, are equal to two per cent., leaving nothing for wastage on the passage home, or until the period of its being weighed off to the buyers; a period generally of twenty months to two years.

5335. You have alluded to the allowance for draught by that term; do you not mean the allowance made by the East-India Company to the retail dealers for the wastage which they may suffer in retailing their teas?—That may be the motive; but the allowance is granted to buyers at the public sales, and amounts, as I have explained, to one pound upon every chest, besides what is allowed for the turn of the scale.

5336. Do you compute that one pound for every chest would amount to one and a half per cent.?—A chest of black tea weighs about 70 pounds on the average, a chest of green tea about 60 pounds; therefore one pound allowed upon those chests is equal to something more than one and a third per cent.

5337. You have included in your statement, in page 425, in answer to question 3435a, as charges, interest on the Company's own capital as well as dividend to the proprietors; are you not aware that any interest which the Company's capital may have earned must form part of the fund which the law (53 Geo. III. c. 155, s. 57, called the Appropriation Clause) has made applicable to the charge of the dividend; and that therefore to charge the interest and the dividend is to charge the same thing twice? —I have already explained to the Committee my reason for giving in the statements which I did upon my former examination, and which were merely prepared to ascertain whether the received opinion was correct as to the net profits of the Company's China trade being sufficient, not only to pay the interest on home bond-debts and the dividends in this country, but to aid the territorial department with occasionally large advances. From my own inspection of the official documents before the public, I was unable to draw the same conclusion: on the contrary, it appeared to me that there was but a small amount of net profit on the Company's China trade; and at that time, having no means from official documents of ascertaining the results of the India trade, I was obliged to confine myself to the profit which appeared to result from the China trade. I was consequently at a loss to conceive where the Company could obtain funds for the payment of those two items, unless it were

from the revenues of India; and on drawing out my statement from the only official documents then before me, to show what the net profit on that trade was, I had reason to be confirmed in my belief. In that statement I included, as I believe every merchant would do, interest, and precisely the same sum of interest which is charged upon the concern where the Company make up a sum under the Act of Parliament to regulate their upset prices of the teas. I took that as the charge for interest upon the transaction, although it appeared to me that a much larger sum ought to be charged for interest upon mercantile principles. I have explained to the Committee, that according to the principle laid down by Mr. Melvill himself, in his answer 4298, wherein he admits that interest on mercantile principles should be charged from the time of the first expenditure to the time when the sale proceeds of the teas are realized, that the period which these sums had to run was upwards of three years instead of eighteen months, which he admits in another part of his examination to be the time for which interest has been charged; I should therefore say, that upon a fair mercantile statement of this account a much larger sum of interest is fairly debitable to it; notwithstanding which, I have only taken, as before mentioned, the sum of interest which I found in the official documents. As to its being twice charged in this account, that I presume cannot be supposed to be the case, if my position is correct, that the whole of the prime cost must have been originally borrowed from the revenues. Indeed the documents which I have had occasion to refer to this day go a great way in support of this fact; and if this sum has been so borrowed from the revenues, which revenues are now charged with the interest upon the whole of what is called the territorial debt, interest in this point of view is fairly chargeable upon this prime cost as due to the revenues, and therefore it is not a double entry, as it has nothing to do with the items of interest on the home bond-debt and dividends on stock, which are paid to other parties in this country.

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5338. If, as a merchant, you were called upon to return an account of the profit and loss in a distant adventure, and you returned that account without debiting the account for interest upon the capital employed, or without debiting it for the premium of insurance incurred, supposing you were your own underwriter, should you not conceive that such statement of profit and loss would be a fallacious one?—Perfectly so. The interest is fairly chargeable upon the amount of the prime cost; because, even if it was a portion of the capital of a private merchant, it is so much deducted from the capital that was otherwise prevously beneficially employed, and therefore deprives him of the means of making that interest upon the whole amount of his capital which he otherwise would do. If that interest is returned to him at all, it must be returned out of the sale pro-

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ceeds of the goods; and therefore, to credit it as Mr. Melvill has done in this statement twice, is in my opinion, an erroneous entry; at all events as regards a profit and loss account.

5339. Should you not conceive that it is the custom, as well as the duty of any mercantile man, who becomes his own underwriter, in keeping his books, to keep an account of the profits of underwriting, or the loss of underwriting, separate entirely from the particular adventures upon which he underwrites?—That is precisely what I have already explained, in commenting upon Mr. Melvill's insertion here of a credit on account of insurance. In a former examination I have stated that this sum which he has credited, £44,593, for the amount saved by the Company in the mode of effecting their insurance, has no business whatever here; it should be carried to the credit of the underwriting account; and if that account exhibits a balance in favour, it is of course the underwriter's profit; but if the balance is unfavourable, as is often the case, it is then an actual loss; at all events, this credit item has no business here. I should also say the same of interest. I believe that most merchants on a large scale keep an interest-account. I know that I do; and in such a case as the one here stated, I should carry the interest gained on the transaction to the credit of interest-account; and if the interest-account exhibited a balance in favour, that balance would be a profit, but not otherwise.

5340. Should you not consider that the interest on the Company's capital was to be considered as a receipt that was to be made applicable to the charge of the dividend?—Certainly, if interest is gained in the way I have mentioned, and gained on the employment of real capital; but in the case before us interest would be chargeable, in the first instance, on the portion of capital which is employed in the China trade, since the capital would be losing so much interest during the time this portion of it was so employed, and if returned it must come out of the sale proceeds of the goods; it cannot be gained in any other way.

5341. You know that previously to 1813 the accounts of the Company's territory and trade were made up together; but that by the 64th section of the Act of 53 Geo. III. c. 155, they have since that period been separated, and are now kept quite distinct; do you not also know that the annual accounts framed upon that law of separation show a very large amount of assets belonging to the commercial branch, and is not this large amount shown at pages 61 and 62 of the papers as to the finances of India, presented by the King's command?—I know that the Act of 1813 required a complete separation of the territorial and commercial accounts, but the public have never seen yet such statements of the commercial account as would satisfy a mercantile man as to the real result of the Company's

commercial concerns. In respect to those assets which are enumerated in the voucher No. 25 of these papers, I perceive that some of them are stated at a valuation, of which I have no means of forming an accurate opinion; they may be exactly valued, or they may be undervalued or overvalued. I therefore take these amounts to be no criterion of the Company's commercial capital, more especially as one of the items contained in it, *videlicet*, £8,142,103, is there given in very vague terms, for there is a note of reference from it at the bottom of this account, which contains this remark: "This balance is subject to reduction by the amount of advances made in India from the territorial branch to the commercial branch in the Indian official year 1827-8. The documents whereby the amount of these advances is to be ascertained have not as yet been received from India, but which it is estimated may amount to £3,124,900, which will leave a balance due to the commerce of £5,017,203, including interest." This, therefore, is at best but a mere estimate. Of the remaining items of this account, if my view of the state of the Company's finances be correct, the whole or the greater part of the other items must have been furnished from the territorial revenues.

5342. Are you able to state how far the division of charges ordered at the commencement of the present charter under the heads of Political and Commercial, has been such as to charge commerce only with the charges which as a merchant you would admit; and is not an examination of each item necessary before any person can give a correct opinion on the result of those public accounts between territory and commerce?—I have seen no such account yet that would satisfy a commercial man as to the real out-turn of the Company's commercial concerns, or whether they included all those charges which a private merchant would put upon such an account; and I have always thought it, and still think it is most highly desirable that such an account should be laid before the public, for without it all conclusions that may be drawn from accounts which have been produced are liable to error on the part of any private individual who may take the trouble to examine them.

5343. Will you look at No. 25 of the accounts before the Committee, and state whether the results at the bottom of that account, under the head of Commercial Credits at home and afloat outward, can be depended upon as a correct account by which the actual state of the Company's affairs can be judged of?—I cannot draw any satisfactory conclusions from this statement.

5344. Will you state the grounds of your opinion that no accurate conclusion can be formed of the accuracy of this account?—I have remarked upon one item, which is very

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vaguely stated in this account, *videlicet*, the sum of £8,142,103. It is impossible for any body, without having the accounts of the India-House before him, to judge of the entire accuracy of this item. There are other items upon which a valuation is placed; and I submit to the Committee whether it is possible for any private individual to judge of the entire accuracy of that valuation.

5345. Does not the very fact of this note, in addition to the item of £8,142,103, prove a desire on the part of the Company to give the best information to the House that it is in their power to give?—I have no doubt, from the great respectability of the Court of Directors, that they are perfectly disposed to give every information that can be desired by the Committee, and to give that information accurately; but I must repeat that that information is not yet before the public.

5346. Does not this note refer to a sum of £3,124,900 which may be estimated to be paid to the commerce, and which is not pretended to be an actual statement?—Still it is only an estimate; and an estimate, I maintain, is of no kind of value in an actual cash statement.

5347. Do you consider that the sum of £1,207,560, being the value of 3 per cent. reduced stock belonging to the Company, is not an actual asset in their hands?—That of course is.

5348. Is not the cash balance an actual asset?—I presume it is.

5349. Is not the amount of goods sold, not paid for, actual cash statements?—That will depend upon whether they are paid for or not. They may be sold for the amount stated, but the payment is not realized.

5350. Is it the custom of the Company to part with their goods till they are paid for?—In that respect the Company's sales are conducted in a very satisfactory manner; but it often happens that goods retained in the way that the question supposes in the Company's warehouses, till paid for, have never been cleared by the purchasers, and a loss has accrued upon the resale of them.

5351. Can you state whether that is not an accidental circumstance arising out of the depression of prices which has recently taken place?—It depends more upon the circumstances of the buyer at the time.

5352. Admitting, as you do, that those several items are actual cash statements, is it not reasonable to suppose that the other items are equally those which can be depended upon?—How for example can a private individual, like myself, say with precision what the value of the goods in England unsold is, or of the exports, or of almost all the other items? What can I

say is the value of the ships, sloops, and vessels, exclusive of those stationed abroad, and the value of the East-India House and warehouses? They may produce the sums stated in these accounts, or they may not.

5353. Is not a private merchant in the habit of valuing his property per estimate?—He is; but then the private merchant will probably well know the real value of his own property, when he cannot be expected to know the value of other persons'.

5354. Is not the Company in the situation of individuals, likely to know the value of their own property?—Certainly they ought to know the value of their own property, and they may have placed an accurate valuation upon it; but in respect to property of this kind, even a private individual is frequently greatly deceived by valuing it at a rate which will never be realized when it comes to be disposed of.

5355. Do you mean to say that the Company have less means of valuing their property than a private individual has?—No; but I say that I have no means of knowing whether this valuation is correct or not.

5356 Have you any reason to doubt it?—I have no means of judging.

5357. For instance: how would you understand, or how would any merchant understand this item, "value of goods unsold in England;" may it not mean either goods unsold valued at the cost price, or goods unsold valued at the probable sale price, or goods unsold, valued with a profit upon them; or is there any means of ascertaining with certainty what is meant?—That is precisely one of the items in which I feel that my information is defective. I have no hesitation in saying, that were I to value those goods in my own hands in an account of this kind, I should value them at the invoice cost; whereas I judge, from the amount at which they are valued here, that they are rated by the East-India Company at the expected sale-prices.

5358. In page 208 of the Third Report of the Select Committee of the House of Commons, which sat upon Foreign Trade in 1821, it is stated that the China Trade was "profitably conducted by the Company, and constituted their most plentiful resource in aiding the administration of the countries entrusted to their government." Do you, in contradiction to the opinion stated in this Report, still maintain that it is the territory which upholds and supports the trade?—My opinion has been already given upon that head, in opposition, as it appears, to high authorities. I cannot, however, alter my opinion upon this subject, unless I have proof of my error. The opinions of other persons, any more than my own, do not amount to proof; and with all the respect I entertain for the

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authorities quoted at this table, I must still retain the view I have given of the Company's finances, till I can be convicted by actual proof of its being in error.

5359. You stated that, supposing the Company to have made a profit by being their own insurers, such profit has nothing to do in an account showing the adequacy or otherwise of the Company to pay the dividends and interest upon the bonds; are you not aware that the Act of 53 Geo. III. c. 155, s. 57, which you upon a former occasion read to the Committee, distinctly appropriates to those and other objects the whole of the Company's profits and other receipts, and therefore that to charge, as you did, the whole amount of the premium of insurance, without recrediting it as profit, would be to leave the Company in possession of what the law has directed them to appropriate?—It will be recollected by this Committee that I prepared this statement with no other view than to show that the net profit upon the China trade was not equal to the amount of interest on the home bond-debt and the dividends on stock payable in England; and I therefore drew out the statement in the way in which I believe every private merchant would draw out an account of profit and loss, charging it with interest and insurance, taking these two items from the only official documents then before me. If the Company, being their own underwriters, have upon that insurance made a profit, my position is, that that profit ought to be carried to the credit of their underwriting account; then, if on the balance of their underwriting account there is also a profit, that profit would come in aid of the payment of dividends, as required by Act of Parliament. The same may be said with regard to the interest. That interest, when it is made good by the return of the teas from China, ought, as I conceive, to be carried to an interest-account; and if the interest-account is profitable, that profit would also constitute an item out of which those payments, according to the Act of Parliament, should be made; but I conceive that these two items have nothing to do as credits in an account purporting to exhibit net profit; and this would be more especially the case, if, as I conceive, the amount of the prime cost of the goods has been borrowed from the revenues. But an account exhibiting the real profit or profits of the Company, from whatever sources they arise, with the appropriation thereof according to law, is precisely the thing which is now wanted, which the public, in my opinion, has a right to expect, and which, if produced, wuld have been far more satisfactory in correcting errors or misconceptions, than any thing that has yet come forth from the India-House.

5360. Have you ever seen the plan prepared in 1814, under the authority of the India Board, and submitted to this House, under which a separation is made between the territorial and

commercial concerns of the Company?—No, I have not seen the plan. 17 May 1830.

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5361. You have remarked upon certain discrepancies in the accounts presented from the East-India House, and other papers presented by order of His Majesty, which are now before this Committee; are you not aware that some of those accounts are for a period of twenty years, and others are for a period of fourteen years, and that some are drawn up by the officers of the East-India House, and that others are analyzed and put together by the Accountant-General of the Commissioners for the affairs of India?—The discrepancies I have chiefly remarked in the examination of those accounts occur in the items given in for specific years: they are in some accounts stated at one amount for a particular year, and in other documents they are stated at another amount.

5362. Are you aware of the fact alluded to, that they do come from different quarters, and for different periods?—I cannot be aware of it until it is explained. When I spoke of discrepancies, I alluded to such as occurred at one and the same period. It often occurs, for example, that the quantity of tea sold, and the sale-prices of those teas, are differently stated in different accounts for the same year.

5363. You have particularly alluded to the sum of £550,866, which Mr. Melvill has inserted for freight on tea exported from Canton in 1827-8, and the sum of £647,319 stated in an official account dated the 17th March 1830; are you aware that the official statement in question comprises the freight accounts of the ships which arrived in England in 1827, and, therefore, that cannot correspond with Mr. Melvill's account of freight, chargeable on tea exported from Canton in 1827; and do you not observe, in reference to No. 32 of the printed papers, that the quantity of tea exported in 1826-7 was much larger than the quantity exported in 1827-8; that the quantity in 1826-7 was 38,567,525 pounds weight, and in 1827-8 was only 31,593,176 pounds, and does not therefore this difference of quantity account for the great difference in freight?—I cannot possibly account for the discrepancy in this respect from the account before me, because no such account as that stated in the question is given here; the reason for that discrepancy may be the one now explained; but I would beg leave to observe, in regard to Mr. Melvill's corrected statement of 1827-8, that he gives us 31,593,176 pounds as the amount of tea exported from Canton, whilst the freight and demurrage upon that quantity being £550,866 only, is different from the amount of the freight charged in No. 19 of the Accounts and Papers delivered in to the Select Committee in 1830, which is given at £647,319, and expressly stated to be the "freight from China to England" in that year, and to be the "actual amount" in that as in the

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other years of that account. I must therefore still infer that the insertion of Mr. Melvill's corrected statement is an estimate, or a discrepancy requiring to be reconciled.

5364. But you are aware that one sum applies to the quantity of tea exported in 1827, and that the other is supposed to apply to the quantity of tea imported in 1827?—The sum of £550,866 for freight and demurrage is expressly stated in Mr. Melvill's statements to apply to the quantity of tea *exported* from Canton in 1827-8.

5365. The two quantities being very different in the subsequent years?—Yet the sum before mentioned is applied in this statement unquestionably to the amount or quantity of £31,593,176 lbs. of tea, and can be applied to nothing else.

5366. Are you not aware that the freights are not paid at the same time that the goods are sold, that they are occasionally paid before the goods arrive in port?—That does not alter my view of Mr. Melvill's statement, for which we have his express words.

Jovis, 20° die Maii 1830.

ROBERT RICKARDS, Esq. again called in, and examined.

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5367. Have you, since you delivered in your statements of the trade to China, which have been observed upon by Mr. Melvill, had an opportunity of examining the returns subsequently laid before this Committee, purporting to be the real charges on the China trade during the years for which your statements were offered?—I have examined statements to that effect numbered 18 and 19, in the series of accounts and papers dated March 1830, and which contain the charges alluded to from the year 1823-4 to 1828-9 inclusive.

5368. How far do those returns support the accounts you have given in?—I must repeat, with reference to those accounts and statements, that in their present state they lead to no satisfactory conclusions; in other words, that they afford not the means of coming at the real result of the Company's trade. It is only a general conclusion that can be drawn from them; I stated as much upon my first examination; and with reference to the statements I then and subsequently delivered in to this Committee, Mr. Melvill has since been at pains to refute my statements by a series of what are termed corrected statements; and as these corrected statements may lead cursory

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observers still to suppose that the profit on the China trade is as large as it has been generally reported to be, although from my analyis of these corrected statements it is quite obvious that the balances they exhibit are not even an approximation to true results, I prepared subsequently, for my own satisfaction, another statement, founded on the explanations given by Mr. Melvill and Mr. Lloyd, as to what constituted the item prime cost in the Company's accounts, and the result is contained in the two short statements which I hold in my hand, and which, with the permission of the Committee, I will now deliver in. No. 1 is drawn out according to the view which I have taken of the Company's financial accounts, and as I think a merchant would draw out a regular profit and loss account of any particular transaction; the other is drawn out precisely on the principles contended for by Mr. Melvill in his corrected statements, in which the item of interest is altogether omitted, and only a small estimated sum of one per cent. included for insurance. I have selected for those statements the year 1827-8, and the sales of 1828-9, because in those years we have, in the official documents upon the table, a sale amount of tea corresponding with that which was imported in the preceding year, allowing only four per cent. for wastage and draught and turn of the scale, which, from the explanation I gave on my last examination before this Committee, I take to be a moderate allowance; all the other items of this account are taken from the official documents which I have particularly referred to on the face of the account.

5369. What is the result?—The total deficiency, including the loss on the India trade, which I had not before the means of ascertaining on the authority of any official documents, amounts to £999,935, and the deficiency on No. 2 to £787,195.

5370. Do you mean that as compared with the deficiency shown in your third statement?—This is the deficiency on the statement made out after the explanations given in by Mr. Melvill and Mr. Lloyd as to the items of charge which I had in my previous statements ignorantly added to "prime cost," but which I find now ought to be included in that heterogeneous compound.

[*The Accounts referred to were delivered in and read, as follows:*]

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1827-8.

No. 1.—Statement of the Cost and Charges on Tea exported from Canton, from the year 1827-8, with the Sale Amount of a corresponding Quantity sold at the Company's Sale in 1828-9; showing also the Deficiency of Profits on the Company's Commercial Transactions to defray the Payment of the Dividends on Stock, and the Interest on the Home Bond Debt.

Cost, 1827-8, of 31,593,176 lbs. of tea exported from Canton, as per No. 32 of Papers relating to the Trade with India and China, 4th June 1829..	£. 1,981,419	Sale amount of 30,269,508 lbs. of tea in 1828-9, as per No. 41 of Papers relating to the Trade with India and China, February 1830, being a quantity with the allowance of about 4 per cent. for wastage, equal to that purchased in 1827-8	£. 3,527,057
Freight and demurrage, as per No. 19 of "Accounts and Papers," delivered in to the Select Committee, 1830	647,319		
Salaries and emoluments to supracargoes and others, as per No. 18 of ditto	69,195		
Charges in England, as per 19 ditto	205,537		
Interest, as per ditto	243,234		
Insurance, as per ditto ..	61,281		
Profit........	319,072		
£	3,527,057	£	3,527,057
Interest on home bond-debts for 1828-9, as per No. 21 of Papers, &c., Feb. 1830	158,124		
Dividends on stock, per ditto...............	629,071	Profit brought down	319,072
		Deficiency	468,123
£	787,195	£	787,195
Deficiency brought down .	468,123		
Loss on India trade, as per No. 4 of Papers delivered in to the Select Committee, March 1830........	531,812		
Total deficiency .. £	999,935		

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No. 2.—STATEMENT of the Cost and Sales of Tea, &c. the same as the preceding Statement, but drawn out according to Mr. Melvill's View of the Account, and the Principle adopted in his Corrections.

	£.		£.
Prime cost, &c. vide preceding statement......	1,981,419	Sales, &c. as per preceding statement............	3,527,057
Freight and demurrage, ditto	647,319	Deficiency	715,234
Salaries and emoluments, &c., ditto	69,195		
Charges in England, ditto	205,537		
Insurance, (say 1 per cent.) estimated...........	19,814		
Loss on the India trade, *vide* preceding statement	531,812		
	3,455,096		
Dividends and interest on home bond-debt, as per preceding statement ..	787,195		
£	4,242,291	£	4,242,291

5371. Are the Committee to understand that you deliver in these statements in corroboration of the opinions you have formed, and the statements you have previously given in?—As far as regards a general conclusion, they certainly do confirm my former opinion; but I must observe upon those statements that they appear to me, as I have always observed from the commencement, to be of little value besides.

5372. To what statements do you refer?—My own, and the whole of them: all the statements that have been laid before the Committee.

5373. State the reasons why you place little value upon them?—Because, in all the official documents which I have had an opportunity of inspecting, there is no such a thing as a regular mercantile account of the profit and loss on the Company's Indian or China trade, such as a respectable merchant of the city of London, or a professional accountant, would approve; and until a statement of that description is laid before the public, which I think the public have a right to expect, no satisfactory conclusion can be drawn as to the real profit, or otherwise, of the Company's trade. It is on this account, I say, that estimates, particularly such as are framed from imperfect data, must always be considered of little comparative value.

5374. The Committee are to understand that those statements made up by you are not considered of any great importance, because the data or documents supplied by the India-House do

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not appear to you to be full and complete?—Exactly so; they only lead to the general conclusion with which I set out upon my first examination before this Committee, that there does not appear, from any thing that has been hitherto published, a sufficiency of profit on any portion of the Company's commercial concerns to defray certain charges in this country. This conclusion is moreover strongly confirmed to my mind, and I think will be obvious to other persons, from merely reflecting on the following circumstances. Let any person acquainted with the course of mercantile affairs, and the admitted fact of an universal depression of profits ever since the close of the last war, and the difficulties which private merchants have experienced in realizing even moderate profits upon concerns carried on with the most rigorous economy; let those facts, I say, be compared with the known mode in which the Company's trade is carried on; the great establishments kept up at the India-House for commercial purposes; the magnificent establishment at Canton, the equally magnificent establishments spread all over India for commercial purposes; the freights paid by the Company upon their shipping, averaging, according to one official document upon this table, £21. 10*s* per ton, and in another between £18 and £19 per ton, for doing that which a private merchant would accomplish for from £8 to £10 per ton; and likewise the very high rate at which the Company have on all occasions paid for their goods both in India and in China; and if he can, after combining all those facts, conceive it possible for the Company to realize any thing like a profit upon their trade, he must have other ways of computing profit to any which I am acquainted with; but whether the Company realize a profit upon their trade or not is, in my estimation, of little comparative importance. The great question, in my opinion, to be considered upon this occasion is that which I took the liberty of impressing upon the attention of the Committee at my first examination, *viz.* the immense advantages which must unquestionably result to this country, and to the eastern world at large, by the single act of opening the trade to Canton. We have here a question in which the great commercial interests of this country, the manufacturing interests, the shipping interests, and, by re-action, the agricultural interests, are deeply involved; and this I take to be of far greater importance than whether £200,000 or £300,000 can be made out more or less by the turning and twisting of figured statements.

5375. If all the documents submitted to Parliament, and those which you have seen that have been submitted to this Committee, of the commercial affairs of the Company, are as defective as you have stated, that no merchant can make up a satisfactory account from them to show the actual result and profit and loss from their commerce, will you state what kind of accounts should be furnished to enable the Committee correctly

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to ascertain what has been the state of their trade?—Exactly such an account as I have just stated in a previous answer.

5376. What sort of an account do you conceive should be made out?—It should be such an account as a merchant would draw out to show the *real* result of his own affairs.

5377. Can you give a *pro formâ* account of the manner in which the account should be kept?—It is impossible for me to give a *pro formâ* account here. Neither should I think a *pro formâ* necessary, if the accounts at the India-House are kept as mercantile books ought to be. From such books there can be no difficulty, I should think, of preparing such an account as would satisfy the public, containing the actual outgoings of the Company on one side, with their receipts on the other—a fair statement, in short, of mercantile transactions, prepared in mercantile form and on mercantile principles, such as any merchants are accustomed to prepare of all *bonâ fide* transactions.

5378. You are aware that by the 57th clause of the Act of 53 Geo. III. it is directed that the profits on commerce should be applied for certain purposes, the last being that all surplus should go in reduction of the principal of the debt in India. Are you able, from the accounts before the Committee, to show whether any surplus has been handed over to pay territorial debt agreeably to the Act?—In account No. 23 of the Papers relating to the Finances of India, page 49, there is a *memorandum* at the foot of that account in the following words: —"Amount set apart from surplus commercial profits for the liquidation of debt subsequent to the 1st of May 1814, and not deemed repayable by the territory." This, however, is but a simple memorandum or assertion; there is nothing that I can find in these official documents to show whence that surplus commercial profit arises; and this is another of the many instances which constantly meet us of the defective or imperfect state of these accounts. I observe also, in respect to that profit so set apart, that in the year 1824 it is stated at £4,754,903; the same sum is continued through the years 1825 and 1826, whence I conclude that there could be no surplus profits, real or estimated, in those years. In the following year, 1827, the amount is stated at £4,758,853, being a small advance on the preceding years of £3,950, whereas in the annual accounts laid before Parliament the increase of 1827 over 1826 is stated only at £124 or £125. This again is one of the many discrepancies which we find in these accounts, which may be capable of reconcilement by the officers of the India-House, but which it is impossible for an individual to account for from any explanations that are here given; and therefore it is that I say that those accounts as now presented to the public, do not exhibit so satisfactory a result as the public have a right to expect. Neither can any such precise result be drawn or compiled from the imperfect information they contain.

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Mr. J. Layton.

Mr. JAMES LAYTON called in, and examined.

5379. WHAT is your profession?—I am a tea broker.

5380. It is your business as a tea-broker to purchase tea at the East-India Company's sales for the wholesale tea-dealers of this country?—Certainly.

5381. In that business you are in the habit, at every sale of tea, of examining minutely the qualities of the different parcels?—I am.

5382. Were you called upon to value some samples of teas which were brought from abroad?—Yes.

5383. Where did you value them?—At my own counting-house.

5384. From whom did you receive them?—I received them from Mr. Jones; they were sent to me; I believe they came from the Board of Controul.

5385. They were sent to your office for examination?—They were.

5386. Did you examine them in company with any other tea-broker?—No; by myself only.

5387. Did you give your opinion without any concert with any other person?—No; we met afterwards and compared notes, and gave a valuation of prices in conjunction with several others; there were about a dozen more; there were many of those teas imported by the foreign companies. I look upon it that we have no such tea comes to the Company's sale, because the bulk of the teas that we have consists chiefly of the general qualities of bohea and congo tea, which form the chief consumption of this country.

5388. Did the other brokers examine them with you?—No, each examined them separately by their own samples; there were samples sent to ten or a dozen different houses.

5389. For the purpose of afterwards fixing on prices, did you afterwards meet together?—We met together and compared prices, and gave the result of that to the gentleman who sent the samples.

5390. Was the result an average?—Yes, an average, as nearly as we could put it, of what they would have sold for at the Company's sales.

5391. Was there much difference of opinion between you?—There was: in the finer sort of teas especially.

5292. Were there in the congos and boheas?—No, very little; hardly any at all; merely fractional parts.

5393. Were the samples of sufficient size to enable you to judge fairly of them?—Certainly.

5394. Were the prices you have affixed to the teas prices

which you thought similar teas would sell at at the Company's sales, or were they prices that they would sell at in the wholesale shops?—We have no idea what they sell at the wholesale shops, for they vary so much by 1*s.* per pound; but we fixed it at the price at which we supposed, had they been put up by the East-India Company at their sale, they would have reached, subject of course to the variation whether there is more or less of the finer quality.

5395. With respect to the teas of more general consumption, more particularly the congo and bohea, was the price that you estimated them at with reference to the last sale-price of the Company, or with reference to the actual market-price at the time?—We were obliged to reckon them at the price we supposed they would sell at; there were several of those qualities of tea that the East-India Company do not import on their own account, but which are generally brought over by their officers, who have a private-trade, as it is called, which is a liberty to bring home such and such qualities; but we cannot answer for their qualities to compare them with the Company's teas. The East-India Company's teas are always clean teas, and well examined before they come to this country, which the others are not, for their trade is by barter. In general you cannot expect an officer who goes out to bring the dollars; but they receive so many chests of tea as they may purchase by barter. Of the price we know nothing.

5396. Were you told, when those samples were delivered to you, from whence they came?—No; we were summoned by Mr. Jones to come and see them at the Board of Controul Office; the number was so great it was impossible to form an opinion of them there; each of the brokers had the samples sent, and tasted them, as well as examined them by the appearance.

5397. Were you told from what part of the world they came?—We knew not from whence they came; the paper states them to be from the continent of Europe, but does not state from what countries.

5398. As to the teas of general consumption, particularly the bohea, congo, the hyson, and the twankay, setting aside any of the teas of which little is imported, were they teas of the qualities used for general consumption, and, upon the whole, of good fair quality?—Except the twankay tea, I think they were; that was inferior to what the Company usually have. The bohea tea was rather inferior, to the extent of 1*d.* or 1½*d.* per pound; but that is a tea not used, or very rarely, in London; that goes generally into the country, where they are obliged to sell it at a lower price, particularly to the manufacturers.

5399. Was the congo a fair quality?—It was not so clean as the Company's teas.

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Mr. J. Layton.

5400. What do you mean by not so clean as the Company's teas?—It had a particular taste, shewing that it was not altogether so well selected.

5401. Some of the congo is put as high as 2*s*. 6*d*. a pound, have you much of the Company's congo that sells at so high a price?—There is some of the Company's congo that sells as high as 3*s*.

5402. Is the quality put here at 2*s*. 6*d*. a pound not a good quality?—It is a good quality of tea valued at 2*s*. 6*d*. a pound; but wherever samples have been taken, and have come from a distance, they depreciate, and also from the tea being in paper.

5403. Is it your opinion that the samples have not quite so fair a chance as if they had been drawn fresh from the chests in the Company's warehouses?—Decidedly not.

5404. Did the manner of sending them put them to some disadvantage?—Yes, particularly in the smell, which is a great thing we go by, as well as taste. Many of those that are called congo were a souchong kind of tea, which, by the names they gave them, they would not bear with ours.

5405. Were the green teas that came from New York of a good quality?—I do not know from whence they came, only the samples were taken from which we were to form our opinion.

5406. Were the green teas of a fair quality?—Some of them were, and some were very indifferent.

5407. How long had those samples been taken out of the chest before you saw them?—That I cannot say; I never saw the chests nor the packages.

5408. The prices of your valuation are of course what are called the short prices, that is, without the duty?—Yes, because we always buy and sell by the short price.

5409. Upon the whole were the congos and boheas of a quality that would find ready sale in this country?—Yes, they were sufficiently fine for sale; any tea that is clean and decent will always find a sale; for what is not sold in London the dealers will send to manufacturing places, and if the price is but congenial they will take anything, if it really is tea.

5410. Do you consider that the tea which is sold at the Company's sales is much adulterated in the tea-dealers' shops in London?—Not in London; I do not think there is any adulteration in tea; they mix the bohea, which sells at the Company's sales at about 1*s*. 5*d*. to 1*s*. 6*d*., with congo teas, because the duty is so heavy the people in the country cannot afford to give it. It is the fashion now to have every thing at a low price, and that pervades every thing; on the supposition, I suppose, that the people get too much profit; but they drink such tea there as I would not drink.

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5411. Did you ever look at the quality of tea sold in country towns and villages?—Yes.

5412. Do you consider it very much adulterated?—I consider it so much inferior, that if I go out I always like to take my tea with me; if I were going out of town, I mean.

5413. Is the adulteration there merely a mixture of inferior teas, or is it that some ingredients are mixed which are not teas at all?—I really cannot tell what it is composed of, and I defy any person to say what it consists of; it is like the coffee, which is sometimes mixed with what is, I suppose, ground beans.

5414. If a mixed sample of tea were presented to you, you could point out the portion of the different qualities, could you not?—That is rather difficult; I could no more tell than I could as to a pipe of wine, whether it was all of the right kind. I could tell whether it was good if I tasted it.

5415. Could not you tell whether there was any part which was not tea?—At times I might. I presume the question alludes to the mixture of adulterated leaves which took place some time ago.

5416. In your opinion, is not there a good deal sold in remote parts of the country as tea which is not tea at all?—Yes, I conceive there is; what I have tasted in considerable towns that they call tea, which is very bad; there has been black tea coloured and passed off as green tea when the price was very high—persons have been fined for so adulterating.

5417. Do not you consider that that disposition to adulterate arises very much from the people in the country not being able to get real tea at a reasonable price?—By no means; they may have it at a reasonable price; when a man sells six or a dozen chests in London he would be ashamed to do that, and he would be subjected to penalties; but in some part of the country, I think they will do those things: a country dealer is the most unfortunate being, living almost in a country shop. When there was a quantity imported from the Continent, when the East-India Company had not sufficient after the Commutation Act, there was the greatest importation of rubbish that ever was exhibited in this country.

5418. From whence did it come?—From Holland chiefly.

5419. Is there a sufficiency of the low-priced teas put up at the sales?—I think that 1,200,000 pounds of the common boheas is sold every sale, or as nearly as possible.

5420. Is there as much as the consumption will take?—Quite so; in fact we refuse tea almost at every sale. An observation has been made, from Scotland, principally, that the East-India Company did not put up enough; but as soon as they put up more, they found fault directly, because it lowered the prices of their stock in hand.

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5421. Do you mean to say that tea is refused at the upset price of the Company?—Yes.

5422. And that of qualities in ordinary consumption?—Yes; it has sometimes been bought at a higher price; the Company is bound by charter to put up their teas at the price it stands them in; the advance price is supposed to be their profit; but when they do not fetch the upset price, at the following sale they are put up without a price and fetch as much as they can by competition.

5423. Where they are put up at the upset price, are there any of the teas of ordinary consumption, such as congos, ever refused at the upset price?—Yes, there were, last sale.

5424. Were they refused for quality, or for redundance of quantity?—Partly from both.

5425. How comes it that you, as a broker, pay any advance upon the upset price of the Company for any tea, where you are sure of getting some at the upset price itself, if the Company put up a sufficient quantity to lower the price down to the upset price?—The fact is, we buy the better sort, and refuse the inferior qualities if there is too much put up. I look upon the interest of the Company and the trade to be one and the same thing. If they put up a larger quantity than the consumption would carry off, then if that tea is put up next sale, and bought, the price of it only serves to lower the price of the other; the redundancy of the quantity will occasion that.

5426. If the Company were in the habit of putting up so much of any certain quality as that it should be rejected for redundancy, would it not necessarily follow that the teas of that quality must sell at the upset price?—The other teas would be refused of course, if they put up the same quality, and they have refused some of them; they would not buy any more than were wanted for consumption, for the sale is four times a year, and we seldom have an advance of a penny a pound; though the prompt is only the 29th of this month, any teas may be purchased at this time at the cost-price, except the common boheas, which have had a little run upon them, or only at an advance of a penny a pound.

5427. Generally speaking, the price at which they are sold is considerably above the upset price, is it not?—Yes, all teas must be above the upset price, unless where they have been refused at the former sale.

5428. If there were so much put up that a portion of it was refused, must it not follow that that portion so refused might have been bought by the trade at the upset price?—Supposing they had, and the consumption would not take it off, it would only remain on hand, and lower the price the succeeding sale;

it would not answer the purpose of any one to purchase more than he required.

5429. Would it not answer the purpose of any one if there always remains a portion which could at the close of the sale be got at the upset price, to purchase at that price?—They cannot buy that again at the upset price which is once refused; but at the succeeding sale they have the advantage of having that which has been refused at the upset price put up without a price, and they may purchase it at whatever it will fetch.

5430. Is it not the interest of the tea-dealer who buys the tea that the price should not considerably fall in the market?—I do not think the tea-dealers have much interest about it: if one could get tea a farthing a pound cheaper, he would do so. The squabble is as great as if they were to give away the tea instead of selling it.

5431. Is there any combination or agreement among the brokers as to the manner in which they shall conduct their purchases at the sale?—None at all. We hear one man say I want six lots, and another I want ten lots; but they cannot obtain them by asking for them.

5432. Do you consider the quality of the tea to be deteriorated by keeping?—Not if it is kept in a dry place; black teas are sometimes the better for it, but green teas suffer. I look upon it that in consequence of the mode of gathering it in China the bloom on the hyson and green teas falls off, and there is a rankness of taste comes upon it; in consequence, if it is kept a twelvemonth, I should say that is very inferior to one purchased at the last sale of the Company, though of the self-same description. The same with gunpowders, that are described under the denomination of old that has an unpleasant flavour.

5433. The black teas are not injured by keeping?—No, not at all, if they are kept in a proper place, and in good lead.

5434. You do not consider that if the Company's teas were sold immediately on their arrival they would be sold at higher prices?—No, not in black teas; but in green teas they would.

5435. Does tea gain or lose in weight by keeping?—I believe it gains, but it is so trifling; in a chest of 84 or 85 lbs. it may gain a pound, but it must lose sometimes. But we always buy and sell by the Company's weights. If they gave us more tea than we have paid for, we should sell at the same; we sell by the warrant, and the person judges of the article himself.

5436. Does the tea imported by the privileged trade sell so high as the Company's?—Very seldom; it is only when they import such tea as gunpowder tea, and such teas as the Company do not import, or there are scarcely any sold in the Company's sale, but the congos and hyson teas are reckoned far superior to those imported by the private trade officers, and

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5437. How happens it that the Company's teas in their books are never marked as very good, or very fine, or superfine?—It has been left off since the Commutation Act.

5438. No teas are so marked now?—No; the trade taste the quality, and judge of them, as they take samples for themselves, and where they agree they suppose they are right.

5439. Do you mean to say that none of the teas that come to private individuals are superior to many of those sold by the Company?—Supposing a person has a relation at Canton, he sends a present of a box of tea, which he obtains from the hong merchant, and he gets it as a particular sort of thing, like a friend sending from Oporto a particular pipe of wine, but that is not a thing to be regarded in the market.

5440. The Company do not sell such teas as those?—That is a thing which is quite out of the way; it is something choice, and out of the way, like fine fruit from a gentleman's own garden.

5441. Are you of opinion, that if the Company were to import some teas of lower qualities than they at present import, they would be suitable for the consumption of the poorer classes of people?—I think they might; but that it would be very great impolicy for them to do so; that they would hurt the trade at large if they did so; the low bohea tea now is sufficiently low for consumption.

5442. What is the lowest price at which bohea tea sells?—1*s*. 5*d*.; it is put up at that, therefore one farthing per pound above that will purchase it; but it is mixed with other tea; it is then put down at the price at which they want to retail it; it is written up in London at 3*s*. a pound in various shops, sometimes at 3*s*. 4*d*.; that stands them in 2*s*. 10*d*.; the duty they pay is 96 per cent. upon that, and 100 per cent. on all above 2*s*. per pound.

5443. What does that sell at in the retail shops?—From 3*s*. to 3*s*. 4*d*.

5444. Do not you think that if instead of 3*s*. 4*d*., good bohea tea could be sold in the country at 2*s*. for instance, that would materially increase the consumption?—I recollect perfectly well when the Commutation Act was passed, and then the price of tea was lowered very considerably, being subject to only twelve and a half per cent. duty, and the public at that time were so displeased with the quality of the tea, though they had the self-same tea they would have had before, the Company took it all back at the same cost; the people would not drink the tea; they said it was bad, and some were even fools enough to go to

houses I could mention where they might have good hyson tea, which stood them in 5s. a pound, and pay 12s., 14s., and 16s. a pound, because they said it could not be good if offered at those low prices; and to this very day the best consumers of tea in this country, for the good of the tea-dealers, are the servants at your own houses, for they drink black tea at 6s. and 8s. a pound, when you may drink it, in many instances, at a shilling or two a pound less.

5445. In the instances you refer to, the people concluded that the tea could not be good because it was cheap?—Yes; and if the Company imported lower priced teas, they would find fault with the very article they were in the habit of consuming, because it was at a much lower price.

5446. So that if by the reduction of duty the teas were sold at a much lower price, you think they would refuse to take them?—Yes; they would not drink the lower teas. I am convinced that was the effect which occurred at that time.

5447. Was the tea you speak of, that which was so bad which came from the Continent?—No; the tea I have seen on the Continent was a strange sort of mixture, it was bought of what are called the outside dealers in China; they sent over stuff which is not tea; it is prohibited now, but they only fine the officer for bringing it over; a good deal of that was what was called caper tea.

5448. You referred to some bad tea which came from the Continent; in what year was that?—I think about the year 1786 or 1787.

5449. How came it to be imported into this country?—The consumption was so great in consequence of the taking off such a mass of duty as was then attached to it; they paid 1s. a pound, and 25 per cent. upon the cost-price; the two duties were added together, and 15 per cent. added to that. There was not a tenth part sold by the East-India Company at that time which there is now.

5450. That was imported in consequence of the East-India Company not having a sufficient supply?—Yes, because they used to smuggle it; there was hardly a tea-dealer's house at that time but was under the necessity either of doing that or shutting up his shop.

5451. Do you conceive there is much smuggled tea in the trade now?—I think very little; there is a little perhaps at a few of the outports, but if there is, it is only the fine gunpowder tea; they make that answer, but by the time they have hawked it about the country it is very much the worse for it.

5452. Previous to the lowering the duty, during the great smuggling taking place, was not the best tea in the market the smuggled tea?—That I cannot say; I do not think it was; it

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5453. You have stated that where a larger quantity than usual was put up by the Company complaint was made; by whom was that complaint made?—By the Scotch buyers; they happened to have a surplus quantity at that very moment.

5454. Supposing the tea-dealers generally to have a stock of tea on hand, it would not be for their interest that the teas at the Company's sales should sell at a lower price than at which they have purchased their own?—They would refrain from purchasing when they have got a stock in hand, for they can only take a certain portion, and they are obliged to pay the duty at the time they pay for the tea.

5455. Therefore they are interested in the price not failing?—It is their interest, if they have got a stock in hand; but where there are so many hundreds of them, they none of them keep a stock; they only buy what they conceive will be their consumption from sale to sale, for they would have to pay a large sum beforehand for the duty; the sales come so frequently, and they are delivered so early from the sale, that no person keeps a stock on hand; the remnant at the end of every sale is, I apprehend, very small in the dealers' hands.

5456. Are you at all acquainted with the foreign trade in tea?—I have been on the Continent, and have looked at their foreign tea-trade, and was very much surprised at seeing how little they understand of the matter. I went to Antwerp on purpose, and they took a chest of tea, and bored a small hole, and they took the sample out on a bare board, and said, "there is some fine tea for you."

5457. What should you say is the general quality of tea they bring?—It is chiefly the congo tea.

5458. And of an inferior description?—Yes.

5459. What is the comparative quality of the tea sold by the Company, and the samples you have examined?—I think that some of those samples of tea were picked qualities of tea superior.

5460. The question refers to the congos and boheas?—Those are not so good as others. I suppose the fine pekoes and others come from Russia; that they were overland teas.

5461. Are you acquainted with the description of teas called souchong, imported into America?—I know the quality of that tea, but I do not know what are imported into America. We used to ship to America in general rather an inferior sort of tea; we never sent fine souchong teas. Very few people will take very fine souchong teas, unless it is gentlemen who have a fine taste in this country.

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5462. Did you ever drink tea made abroad?—Yes.

5463. What is your opinion of it as to quality, comparatively with that drank in this country?—That it is much inferior in quality.

5464. At what places did you drink it?—It was in Holland, at Antwerp, and round about; the teas were then inferior decidedly to ours. We went over and took tea with us, and tried their tea; I did it from curiosity; I found it very inferior, and very much neglected.

5465. At what time were you there?—I was there in the year 1814.

5466. You have not been abroad since that period?—No.

5467. Have you had any opportunity of ascertaining the quality of teas there at a later period?—I understand they have taken a greater quantity of fine hyson in Paris of late, but that that is chiefly owing to the number of English there.

5468. You will therefore infer that the demand for the better tea has produced a supply of the article on the Continent?—Where Englishmen go, I think it has.

5469. Are you aware that up to the years 1814 and 1815 there was very little tea sent to the continent of Europe?—Very little; there had been no encouragement.

5470. Are you aware that there is a considerable increase in the import of tea on the continent of Europe since that period?—Yes.

5471. The price of tea in Holland is lower than the price here, is it not; the short price?—I understand it is that they can find no sale for a great deal they have there. There was a great deal of money lost by their first importation.

5472. Do you conceive the difference of price is commensurate with the deterioration of quality?—In some instances it is.

5473. Supposing the tea-trade to be thrown open like any other trade, would it be for your interest as a broker, or not?—I have a very great donbt which way it would operate. I cannot give an answer to that question.

5474. A good deal of tea, probably, would be sold at Liverpool and the out-ports?—Yes; I suppose that it would be taken about the streets in barrows as other things are, and that then people would not take it at all.

5475. You think it is possible it might be to your injury, because people would leave off drinking it?—That would be, no doubt, to the injury of the dealers and the brokers.

5476. Did not you say that the redaction of price in 1786, from the reduction of duty, was the cause of importation from abroad?—It was obliged to be brought, because the Company had only two sales in a year, and they sold much less than they do now.

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5477. Did they sell less tea at the period of that importation from abroad than they did before or after?—They sold a great deal more afterwards; but they had cleared the Company's warehouses of all the tea.

5478. What caused the Company's warehouses to be cleared?—The demand, which produced a scarcity.

5479. Was that the effect of increased consumption?—No; they sent over to the Continent to buy teas.

5480. What occasioned the scarcity?—Not having the quantity by them at the time. Directly the Commutation Act of the year 1784 passed, when they reduced it to 12½ per cent., so many turned tea-dealers; where there were 1,000 tea-dealers there were immediately 20,000.

5481. Did not that reduction of duty extend the demand?—Yes, because the stock held by those persons was excessive. If you have 100 or 1,000 shops, every one must have a portion of stock in them ready for sale, and there must be a surplus quantity on their hands, and there must be ten times the number provided. There were 1,000 instead of 100, and there are now 60,000 or 70,000 tea-dealers altogether in England. This can be known from the Excise.

5482. The taking off the duty at that time produced a very much increased demand in this country?—Yes, it did; but the tea was brought from the Continent which used to be smuggled in, and the India Company were obliged to buy that tea to supply their sales.

5483. Was it not the case before the passing of the Commutation Act, that the consumption of England in tea was in a very important degree supplied by smuggled tea?—I suppose three-fourths were smuggled in.

5484. As the demand increased from the lowering of the duty, and as the lowering of the duty checked the smuggling altogether, would it not necessarily follow that the demand upon the Continent for tea arose from that circumstance?—Certainly, because the tea that they imported found its way into this country.

5485. The smuggled tea came in from the Continent previously?—Yes; three-fourths of it were smuggled before that.

5486. Suppose the duty now was lowered to 12½ per cent., as it was by the Commutation Act, and that the Company were to reduce their charges so as to put the upset price 30 per cent. lower, would that increase the consumption of tea in this country or not?—It would increase the consumption, no doubt.

5487. You think that any thing that lowers the price would increase the demand?—Yes; but if the government were to lower the duty, it would have a greater effect than the Company lowering the prices; but that effect would be, that the prices

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would be better for the finer qualities, for they do not bear an equivalent to the lower qualities.

5488. Supposing the Company were to lower their prices 25 per cent., the reduction of prices to the consumer would be more than double that amount at the present rate of duty?—Certainly it would.

5489. Would not the lowering of the price by the Company have a greater effect than the mere lowering the duty by government?—It would come to the same point whether the government or the Company lowered it.

5490. You are of opinion that lowering the price would increase the consumption?—Yes.

5491. What is the ordinary advance upon the upset price at the Company's sales?—The congo teas, which they put up at 1*s.* 8*d.* per pound, sell at about 2*s.* 1*d.* on the average to 2*s.* 2*d.*; that is the principal profit, in my opinion, which the Company get upon their tea.

5492. The average increase upon the congo teas at that price may be taken at about 5*d.* to 6*d.*?—Yes; but that is only on a portion of them; for when they put up tea at 2*s.* 1*d.*, it frequently fetches only a farthing more, or is in some instances refused.

5493. Do you know whether any of the brokers who attended at the Board of Control saw the tea in the chests in which it came over?—I understood that two or three of them did.

5494. How long had you the samples before you examined them?—Ten days.

5495. Did not the brokers say that they thought they should be able to examine the teas better if they took them home?—Yes, at their houses.

5496. At the time they made their request, they did not, of course, feel that the tea would be at all deteriorated by being taken out of the chest?—No.

5497. Are you aware of what difference there has been in the price of tea put up at the Company's sales; what fall there has been in those prices in your recollection?—Very trifling in point of price; I do not suppose there has been 2*d.* or 3*d.* a pound within the last ten years.

5498. Do you recollect farther back?—I do not, without referring to the sale books; but I do not think there has been any material reduction since the Commutation Act.

5499. Is the trade in the habit at all of remonstrating with the Company as to the quantity of tea they put up at a sale?—No.

5500. Are they never consulted?—Sometimes the clerk asks the question; but we never consider it of any consequence what answer we give, for we do not think it has any effect.

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5501. The trade never expresses an opinion that the quantity is too great or too small?—Yes, that they are overloaded with tea. They come there with long faces, as they do in other places, but they are never much attended to.

[*The Account referred to by the witness was delivered in and read, as follows:*]

SAMPLES of TEA from the Continent of Europe and America.

No.	No.	No.
1. Bohea.	36. Souchong.	70. Souchon.
2. Ditto.	37. Ditto.	71. Pecco.
3. Congo.	38. Ditto.	72. Black-flower tea.
4. Ditto.	39. Pecco.	73. Ditto.
5. Campoi.	40. Ditto.	74. Black family tea.
6. Ditto.	41. Songlo.	75. Ditto.
7. Souchong.	42. Ditto.	76. Green tea.
8. Ditto.	43. Ditto.	77. Ditto.
9. Ditto.	44. Tonkay.	78. Hyson.
10. Pecco.	45. Ditto.	79. Ditto.
11. Ditto.	46. Ditto.	80. Ditto.
12. Ditto.	47. Hyson-skin.	81. Young Hyson.
13. Hyson-skin.	48. Ditto.	82. Ditto.
14. Ditto.	49. Ditto.	83. Hyson skin.
15. Ditto.	50. Hyson.	84. Ditto.
16. Twankay.	51. Ditto.	85. Souchong.
17. Ditto.	52. Ditto.	86. Ditto.
18. Ditto.	53. Young Hyson.	87. Ditto.
19. Young Hyson.	54. Ditto.	88. Pouchong.
20. Ditto.	55. Ditto.	89. Ditto.
21. Hyson.	56. Imperial.	90. Gunpowder.
22. Ditto.	57. Ditto.	91. Ditto.
23. Ditto.	58. Ditto.	92. Tonkay Hyson.
24. Imperial.	59. Gunpowder.	93. Souchong.
25. Gunpowder.	60. Ditto.	94. Ditto.
26. Ditto.	61. Ditto.	95. Hyson-skin.
27. Bohea.	62. Hyson-skin.	96. Ditto.
28. Ditto.	63. Songlo.	97. Young Hyson.
29. Congo.	64. Hyson.	98. Tonkay Hyson.
30. Ditto.	65. Imperial.	99. Hyson.
31. Ditto.	66. Gunpowder	100. Ditto.
32. Campoo.	(Poudre à Canon.)	101. Ditto.
33. Ditto.	67. Bohea.	102. Ditto.
34. Ditto.	68. Kempoy.	103. Ditto.
35. Souchong.	69. Souchon.	

WILLIAM JAMES THOMPSON, Esq. called in, and examined.

W. J. Thompson, Esq.

5502. You are a tea-broker?—I am.

5503. Your business is to purchase at the Company's sale for account of the wholesale dealers in tea, is it not?—It is for the dealers generally, both wholesale and retail.

5504. Were you called upon to examine certain samples of tea by the Board of Control?—Yes.

5505. Did you examine them at the Board of Control, or

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where?—At the Board of Control. The brokers who were appointed, with the exception of one, attended, and we were shown into two rooms, where the packages were. They were opened in our presence; and among us, dividing ourselves into parties, we put up the whole 103 samples, ten from each package; they were, with the lapse of one day, sent to our houses, where they were examined by each of us separately.

5506. You took that tea out of the chests at the Board of Control, and made it up into parcels to be sent to your own houses?—We took out of such packages as were chests, such as were boxes, such as were tin cases, such as were paper parcels, for they were in various packages.

5507. Were there many of them in paper parcels?—The greater part were in chests, boxes, and tin cases; not a very large part in chests, but there were some in paper parcels. I could state what they were by my memorandum.

5508. Do you consider that the samples of the teas of more general consumption, the congos, boheas, and hysons, were in a state to enable you fairly to judge of their quality?—Two or three of the samples were somewhat injured; they had a musty smell and a musty taste.

5509. Do you mean arising from the manner in which the samples had been treated, or do you suppose that bad taste and smell attached to the article in its former state?—I should suppose that mustiness arose from adventitious circumstance, subsequently to its shipment in China, but whether from the original package I cannot say.

5510. Did you suppose it to arise from the manner in which the sample had been kept?—In the bohea and congo I did not find any; in the campoy I did, and in the pekoe I did: they were in paper parcels.

5511. Upon examination did the brokers agree pretty well among themselves as to the value, or was there much difference of opinion?—There was on some samples difference of opinion, but those were samples not much in general use.

5512. There was not much difference of opinion upon the samples of teas of ordinary consumption?—With the exception of two or three samples, there was not; not more than two or three.

5513. Speaking of the teas of more general consumption, were they samples of good merchantable teas?—They were.

5514. Were they of such teas as would have sold readily in this country to a large extent?—Yes; and that our prices will show, as compared with the Company's.

5515. Were they upon the whole better or worse than teas of the same description of the East-India Company?—Very similar to the teas we have been accustomed to have in England

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by the Company's own importation, and the importation of the officers in the privilege the Company permitted them to have.

5516. If those teas had been presented to you at the Company's sale, you would not have thought them either better or worse than the ordinary qualities offered for sale by the East-India Company?—Just so.

5517. You were not told where the samples came from?—It was understood that we were not to know, and therefore we did not inquire from whence the samples were brought.

5518. Did you know what the cost-price of the teas was at the places from whence the tea was sent before you made your valuation?—No; nor have I ever heard it.

5519. Do you think the tea in this country is to any extent adulterated in the retail shops?—I think it is not.

5520. Did you ever examine the teas that were sold in the small country towns and villages in England?—No, I have not had an opportunity; my residence has been in London for nearly twenty years.

5521. Do the teas deteriorate much by age?—I consider that the common black teas are improved by keeping, if they are kept in a proper place.

5522. By keeping two years?—Yes, I should say so decidedly, that the common sort of teas the East-India Company import are better liked by the public than they would if quite fresh; they used not to be, they are now.

5523. What is the quality of tea imported by the private trade?—Generally inferior to the Company's; some teas are better, but very seldom.

5524. They generally sell at proportionably less prices?—They do.

5525. You are not at all acquainted with the foreign market for tea?—No; I have seen samples of tea from abroad, but not very generally.

5526. Does that opinion of yours respecting the commoner kinds of tea being improved by keeping, apply to the very finest sorts of tea?—I mean to speak of black tea, because green teas become worse often by keeping; the hyson teas do; the black teas lose some of their finer properties by being kept; but they get stronger, and we have an increased demand in this country for strong teas.

5527. Do you apply that to the green teas?—No, the black only.

5528. Do you conceive that the green is improved by keeping?—Common green tea I do not think is much altered; the hyson tea will become deteriorated.

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5529. The preservation of tea depends very much upon the place and manner in which it is kept, does it not?—Yes.

5530. Have you seen the Company's tea warehouses?—Yes, I have.

5531. Do you think them very well adapted to the preservation of tea?—Yes; the cellars are not; the warehouses are.

5532. Is the tea kept in cellars?—When the Company's warehouses have been very full the teas have been put into the cellars, and we had at the last March sale some teas which I have reason to think had been put into the cellars. I thought so from the smell. I inquired, and was informed they had been put there on being first imported, till they could be put above.

5533. Do you think that common bohea tea improves by keeping; is it not the case that if it has been kept more than one or two years, it sells for less?—I should not be inclined to think that. I should think it would sell at rather a higher price, because it would be stronger.

5534. The private trade teas are sold immediately on their arrival in this country?—As soon as they can be, that the officers may have their accounts closed.

5535. Do they sell at a higher price in consequence of being fresher?—No; but the quality is not so good as the Company's in general.

5536. It appears on looking at the brokers' Book that there is no tea of a higher quality than good middling; and that the kinds called good, very good, and superfine, do not appear to be mentioned in this account; can you account for that?—Those terms are now very much out of use; they were adopted very many years ago; and when the Company importing a parcel of teas had in one break of chop two or three qualities, they were frequently obliged to take out chests that were very inferior, and perhaps mixed with leaves that were not altogether tea; but of late years the Company have, I suppose from their good regulations, avoided that, and we have no occasion to use the higher marks, so that they have sunk into disuse; but we differ in our use of the technical terms from their common acceptation; what we call middling, persons in general would call fine, and so on; our terms are too low for the real qualities.

5537. Since what time has the alteration taken place in the marking?—I have been a broker now for twenty-four or twenty-five years, and we have not used them since I have been a broker; we hardly ever use higher than good middling; we do now and then use the word "good" for some of the Company's best, perhaps two chops of hyson.

5538. Supposing teas of lower quality than the lowest now put up offered for sale, do you think there would be a considerable demand for those teas?—Yes, of the congos.

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5539. Have you any reason to believe there is any quantity of what is called tea sold by the retailers in this country which is not tea in reality?—I think there is not any considerable quantity; there may be attempts to make an adulterated article, but not to any great extent.

5540. Do you think there are other vegetable substances mixed with the tea to any extent?—I think not.

5541. There is an impression that ash leaves and sloe leaves are mixed; do you think that that is done to any extent?—I do not mean to say that it is not done, because it was stated in the Excise a few years ago that they had discovered it to be prevalent; but I do not think that that goes to any extent.

5542. You are aware that before the commutation that was carried to a great extent?—So I am informed, but that was before my time.

5543. Are not the lower priced teas mixed to a considerable extent with the higher priced?—As a broker I cannot speak to that.

5544. Are you of opinion that if the price was considerably lower the demand would be greatly increased?—I think it would be increased.

5545. To a considerable degree?—I cannot indeed say; for the use of coffee is increasing, though to what extent it is increasing I cannot speak.

5546. Do you think that the consumption of coffee has beat out the consumption of tea to any extent in the country?—I do not think it has beaten it out; but I see by the returns that the consumption of coffee is increasing, while the consumption of tea, I believe, is not increasing, if it be not retrograding.

5547. Supposing the reduction in the price of tea equal to that of coffee, should you be sanguine that the consumption would increase in anything like the same proportion?—I should rather look to the event than offer an opinion upon that.

5548. There has been a considerable reduction in the price of coffee?—There has.

5549. And not a similar reduction in the prices of tea?—Not to the same proportion, perhaps; but there has been a considerable reduction in the prices of tea.

5550. Can you state in what proportion?—If I go back as far as twenty years, looking to my commencement in life, in twankay teas it is one-third; in congou teas it is one-third within twenty years.

5551. How is it in bohea teas?—That has varied less than the congou and the twankay.

5552. At the company's sales there is very little of the tea which does not sell above the upset price is there?—Sometimes

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we have had during the last year at two or three of the Company's sales tea which has not sold at the upset price; at the last March sale, the whole of the black tea put up did sell.

5553. At any considerable advance on the upset price?—The average, I should think, but I have not looked at it, from a penny to a penny halfpenny per pound on the common contract teas.

5554. Do you consider that the upset price has much to do with the sale price?—Yes, decidedly it has to do with it; because if the upset price were to be lowered, from the system the Company pursue with regard to the quantity they offer at each quarterly sale, the trade would give but a small advance upon that upset price.

5555. Does not the price mainly depend on the quantity put up for sale?—The price does depend upon the quantity put up for sale; but we have found that the Company have uniformly given quantities of tea equal to the expected consumption. The trade have considered that the Company being well informed have taken care to do so.

5556. Does the trade consider that the Company make a judicious decision as to the quantity put up at the sale?—That I cannot say; there is a difference of opinion prevailing.

5557. What is your own opinion?—My own is rather a mixed opinion; I should rather conceive the Company have a view to their own profit in the quantity of tea they put up, and that they do not overdo the trade.

5558. You conceive that they do regulate their quantity with a view to the amount of profit they expect to derive from it?—Yes; at the same time that I conceive they do regulate the quantity so as to be fully equal to the demand they expect, and that they calculate by former experience.

5559. You do not think that the trade has much to complain of from the manner in which the Company regulate the quantity put up for sale?—I should think not.

5560. Can you state when the fall in the price of tea you have spoken of commenced?—I think it commenced from about the year 1814, from about the time of the renewal of the Company's charter; that it has been gradually declining from about that time.

5561. State any facts from your papers which will establish that fact?—I should think the East-India Company keep an account of the average prices which would show that.

5562. Do not you imagine that the fall in price has been much greater since 1827 than it was previously to 1823?—Yes, I know that from recollection, but I think there is a fall since 1814.

5563. Do the brokers charge a commission on the purchases they make?—Yes, that is their only means of support.

Lunæ, 24° *die Maij* 1830.

PATRICK KELLY, LL.D. called in, and Examined.

24 May 1830.

P. Kelly, LL.D.

5564. You have been directed by the Committee of the House of Lords to prepare a calculation of the results of the statements which have been made of the prices of tea which have been laid before that Committee?—I have.

5565. Can you furnish this Committee with a copy of the same?—I can; but the calculations are not quite ready.

5566. Will you have the goodness to explain, by a note on the paper, whether the duty is deducted or included in the prices, and on what principle the rates of exchange between the foreign and the British are computed?—I will.

5567. You are the author of the Universal Cambist, are you not?—I am.

5568. When the Court of Directors ordered standard weights from different parts of India to be sent to you, in order to complete that work, did you receive any standards from China?—No, nor could I learn that any had been ever received in this country.

5569. Will you state on what data you have made the calculations which appear respecting the weights of China in your Cambist?—From written authorities, chiefly German, French, and English, and their statements were found to agree with great exactness; but I have had a further corroboration of their accuracy by means of attested standards, which have been lately transmitted to England by Mr. Reeves, the East-India Company's Tea Inspector at Canton, and they are now in the possession of Mr. Goodhall, the Superintendent of the Company's tea warehouses in London.

5570. Then what do you now consider the real weights of China; and explain to the Committee how they are divided?—The tale is generally considered the unit, 16 of which makes the catty, and 100 catties the pecul. The tale is subdivided into 10 mace, 100 candareens, and 1,000 cash; and according to recent experiments, verified at the London Mint, it equals 580 grains troy, which is only one-fifth of a grain more than the statement in the Cambist. The catty and pecul are of course in proportion; but there is a discrepancy in commercial practice in the computation of the pecul, which ought to be noticed. It is reckoned to weigh 133⅓ lbs. avoirdupoise, but its true weight is 132 lbs. 9 oz. It is stated in old books at the India House to weigh 132⅔ lbs., and this addition of ⅔ lb. has no doubt been adopted for the convenience of calculation; for thus 3 peculs are reckoned to make 400 lbs.; 3 catties, 4 lbs.; and 3 tales 4 ounces avoirdupois. It may likewise diminish labour to observe that 24 tales answer exactly to 29 ounces troy.

5571. How are accounts kept in China?—In tales of 10 mace, 100 candareens, and 1,000 cash.

5572. What are the coins of China?—I believe they have no national coins, except cash, which are of base metal, and of variable value. Foreign coins, however, occasionally circulate, especially Spanish dollars, which are sometimes cut into small proportions for change. The tales, mace, and candareens are of course monies of account, and vary in their value according to circumstances.

5573. What is the sterling value of a tale weight of silver in British silver, in dollar silver, and in pure silver?—The tale weight of British standard silver at 5*s.* 2*d.* per oz. is worth $74\frac{2}{10}$*d.* sterling, and of dollar silver $72\frac{2}{10}$*d.* sterling. The same weight of pure silver is worth $80\frac{26}{100}$*d.* sterling, which is nearly the estimated value of the money tale in the books of the East-India Company, and was probably the origin of such valuation.

5574. What is the present value of the rupees of Calcutta, Madras, and Bombay, at 5*s.* 2*d.* per oz. British standard?—The sicca rupee of Calcutta is worth $24\frac{898}{1000}$*d.* sterling. The rupees of Madras and Bombay are each worth $23\frac{352}{1000}$*d.* sterling; and therefore the pound sterling equals $9\frac{638}{1000}$*d.* of the former, and $10\frac{277}{1000}$ of the latter.

Jovis, 3° *die Junii* 1830.

Mr. JOHN TRUELOCK, Surveyor of Tea Warehouses in the Excise, and Mr. WILLIAM WYBROW, Registrar of Tea Sales in the Excise, called in, and examined.

5575. HAVE the goodness to state the manner in which the East-India Company's tea-ships are unladen, and the teas deposited in the tea warehouses?—(Mr. *Truelock.*) When they are first brought into the East-India Docks, notice is given by the Company to the principal officer of excise of their intention to unload those teas. We then despatch a warehousekeeper down for that purpose; he sees each chest individually unloaded. There is a person appointed to attend our mark, and a number is cut, I believe, by the Company; but that does not come under my notice. There are also two clerks belonging to the Company attend at the same time at the side of the vessel in the dock. They are then placed in a covered caravan, locked by two locks, one of the excise and another of the Company, and sent up to the East-India warehouses. There are also two tickets sent by the same van in a box locked. When they arrive at the warehouse they are received by the revenue officers and the servants of the Company, who deposit them in the warehouses. That officer is called a Locker; he remains in each warehouse yard.

5576. What do those officers do?—They unlock the van, having a duplicate key of the box in which the key is sent from

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the docks enabling them to open the vans; they then deposit the teas in the warehouses, and examine to see that they correspond with the tickets placed in the box at the side for their information. They then return one of the tickets to show that they have received the tea safe. The other is sent to the Excise Office, to be entered in a book kept for that purpose. It is entered by two different officers, a locker and a warehouse-keeper, in books kept for that purpose.

5577. Do the excise charge the Company, on this paper sent in, with the amount of tea landed?—We do not weigh them at the landing.

5578. In what mode is the tare of the chest ascertained before it is put up for sale?—That is ascertained by emptying a certain quantity of them; they are picked out of the different breaks and beds as they come home in the ships. Probably it is a variety of quantities which are opened; thirty or forty chests may be opened, or five; it depends on circumstances. It is not a regular number that is examined; generally in proportion to the number taken by chance from among them.

5579. Does the registrar of tea take an account of the prices at which the tea is sold, and is the charge made on the Company accordingly?—(Mr. *Wybrow*.) Yes.

5580. What is the practice of registering the tea-sales with a view to ascertaining the price at which the public are entitled to the duty?—We receive catalogues with the number of each chest printed, from the Company; we have those ruled, in order to mark the prices and lines for the account, and from those prices taken at the sale duty is charged. If a lot of tea is put up at a certain price by the Company, when there is any advance on that price, even a farthing a pound, the lot is peremptorily sold; if they do not bid beyond the putting-up price the lot is refused, and it is put by, and brought forward at a subsequent time without price.

5581. At what periods are the sales of the Company?—In March, June, September, and December; there is a quarterly sale.

5582. Does any other list come under your inspection beyond that you receive from the East-India Company?—No; there are two catalogues, one kept by the accountant of excise, and another by me; they are both furnished by the East-India Company.

5583. After each day's sale are the prices compared by the different persons who have made the account of them, the registrar for tea-sales, the accountant, and the auctioneer?—They are.

5584. At the end of the sale is the same process pursued?—At the end of the sale there is a compare between the excise

accountant and myself, and the duty is charged on the account taken by us. 3 June 1830.

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5585. Are the teas weighed by the excise at the landing, or is the practice similar to that in respect of other merchandize?—(Mr. *Truelock.*) They are not weighed on the landing, but after they are put up for sale.

5586. Is the government satisfied with the weights as taken at the East-India Company's warehouses?—I never heard anything to the contrary. We consider the duty perfectly secure, being under our own lock; we make up every ship separately, and keep every ship's account completely separate.

5587. Do you mean to say that the chests are unloaded agreeably to the manifest?—Yes; if there is any variation we notice it.

5588. The whole of the labour is performed by the Company's officers?—Yes.

5589. And without charge to the public?—Yes.

5590. Is it not the officers' duty to see that the cargoes turn out agreeably to the manifest sent home with the ship?—That is the case.

5591. At what time, as far as you have information, is the duty collected by the Company paid to the Crown?—(Mr. *Wybrow.*) In about a fortnight after the prompt day.

5592. Have you any means of knowing whether there is any charge to the public in respect of that?—There is none whatever, that I am aware of.

5593. Are you solely employed about the tea?—(Mr. *Truelock.*) Yes.

5594. Are you paid by the Company, or by the government?—By the King.

5595. Have you no other duty to perform?—None but tea; we have nothing under our charge but tea.

5596. What is the total expense of the tea establishment in London?—There are about eighty-two of us employed, and the whole expense is under £10,000.

5597. Are those eighty-two persons employed in the receipt of the tea into the Company's warehouses, and the discharge of it?—Yes, they are.

5598. Are they required also to look into the stocks of the dealers?—No, not at all; those officers land the teas at the docks also.

5599. Are not officers of customs and excise put on board the Company's ships from China and India for the protection of the revenue, in the same manner as they are put on board other merchantmen?—I have no doubt of that; but it does not come under our department.

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5600. Do you not know that officers of customs and excise attend also at the East-India Docks, and the East-India House, for the protection of the revenue, as they attend at any other docks?—I have no doubt of that; but I cannot speak to it.

5601. You know the fact, as far as the excise are concerned?—Yes; we have officers attending there during the time that the ships are being unloaded, not at other times.

5602. Are not the officers of the excise employed to protect the revenue arising from tea in the same manner as they are employed to protect the revenue arising from tobacco, spirits, or any other article of import?—Yes, I apprehend it is the same.

5603. (*To* Mr. *Wybrow.*)—It is in your department to know the amount paid to the Crown for excise-duty?—I think it is about £3,300,000.

5604. The whole of the charge to the public in the excise department is about £10,000?—I must refer to Mr. Truelock for that.

(Mr. *Truelock.*)—That is without the establishment of the stocking officers. I am not aware of the expense of the establishment for superintending the dealers' stocks.

5605. Do you know any other amount of duty collected at so moderate a charge?—I do not feel competent to answer that question.

5606. Have you any means of knowing what per-centage the duty on tea was collected in Ireland?—No, I am not aware of that.

5607. There is no other expense connected with your department in superintending tea, except that incurred in London?—No, I am not aware of anything further than this establishment.

5608. (*To* Mr. *Wybrow.*)—Have you not known the duty amount to more than £3,300,000?—Yes; I merely state that as the average sum.

5609. The duty on tea has decreased of late years?—I am not prepared to state that; but I think it has rather decreased.

5610. Is there any superintendence of custom-house officers upon the India ships after they arrive in the river?—(Mr. *Truelock.*)—I believe there is an officer put in to take them up the river, what is called a tidesman, but I cannot speak positively to that; they are generally brought up by the custom-house officers till the excise take charge of them, and the custom-house officers remain in charge till the ship is discharged.

5611. Where does the custom-house officer come on board the ship?—In the Downs or Gravesend.

5612. What detriment do you apprehend would arise to the

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revenue if the duty on tea was collected in the same manner as the duty on other articles, instead of being collected at the India warehouses, as it is?—I cannot answer that question, it would depend on so many circumstances.

5613. Would it be productive of loss, or not?—I apprehend that there cannot be any doubt of that.

5614. The qualities of teas are very different, are they not?—Very different.

5615. What is the practice as to the sale?—They are laid open, and the brokers take an ounce, if they please, out of each chest, returning an ounce of the same quality, which they bring with them; they have a little tin measure for the purpose, therefore there cannot be any thing of consequence taken.

5616. The quality is very various?—Certainly; the prices prove the different qualities.

5617. Do you know how long it is since the collection of the duty on tea has been placed under the excise?—I cannot say; I have been there thirty-five years, and it has been so ever since I have been in the excise; the customs had a small duty as well, but now it is entirely under the excise.

5618. Do you consider that there is a greater convenience in levying a duty *ad valorem* than a duty of so much a pound?—I should think, with respect to tea, it is now collected very concisely, and with very little trouble, and every person must know what the duty should be to a farthing; I do not know how it might be if it was altered; I think there must be a great increase of business of every description.

5619. Supposing the trade was thrown open, do you think the same system which is pursued in London might be followed in the out-ports?—I cannot say; it depends on whether they have the same conveniences; we have docks and warehouses which are very secure here; if they have the same places of security, it might be done, but it would be attended certainly with great additional trouble.

5620. Do you think there is any mode of collecting duty on teas so effectual and so likely to prevent fraud as the collection of the duty in the manner in which it is by the produce of the public sale?—It is impossible there should be.

5621. Have you any information of the extent of smuggling?—We know of smuggling only from the seizures; they are very trifling.

5622. What experience have you had in the collection of other branches of the revenue?—None whatever; I speak of the tea only.

5623. The answers you give are merely with respect to tea?—Yes.

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5624. And that confined to the port of London?—Yes.

5625. Have you had any opportunity of judging how far the tea might be landed safely at Liverpool?—None whatever; I consider the thing as satisfactorily done at present.

5626. What smuggling of tea have you ever known?—That does not come under our department; the seizures are made by the custom-house officers if there is any deficiency; we have no seizing deputation, but that is with the customs.

5627. You know that custom-house officers are put on board the ships?—Yes, I know that to be the fact.

JOSHUA BATES, Esq. again called in, and further examined.

J. Bates, Esq.

5628. Have you seen the observations made by Mr. Melvill upon the evidence given by you before this Committee on a former occasion?—I have.

5629. Will you state to the Committee how far you consider those observations of Mr. Melvill upon your evidence to be conclusive or not?—There are some slight errors in my evidence, which, with the permission of the Committee, I will correct; and in doing that will make those observations that occur to me upon the evidence of Mr. Melvill. On my first examination, Page 366. my answer to interrogatory 3430 should have been, that the freight was included in the 25 per cent. gross profit, which would leave from 5 to 10 per cent. net profit, according to the description of tea composing the cargo. On my second examination, in answering interrogatory 3980 *a*, in order to save the time of the Page 526. Committee I gave from memory the sterling price of a pound of congou tea; on revising my evidence I found I had committed an error, which I corrected, giving the true cost of tea at 29 tale, exchange 3*s*. 11*d*., 14*d*. a 19. From this I deducted, for 14 months' interest from the date to the maturity of the bills, 5 per cent. or 70, leaving the cash cost at Canton 13*d*. a. 49. As to wastage, there can be none on tea. I had supposed in- Page 526. terrogatories 3987*a* and 3988*a* related to the difference in net weight here and in China arising from different allowances, which I was aware varied in different markets. On inquiry I found that the Company's purchases and sales were by real tare, throwing up to the buyer the half pounds, and sometimes the odd pounds, which allowances I thought more than compensated by the gain in weight which is invariable on tea brought to a moist climate. Mr. Lloyd states the real difference in net weight to be 2 per cent. He is probably right; but I do not think it worth while to disturb my figures, as I have overrated the freight very much. I had supposed that for so large an amount of tonnage many ships must go out in ballast; but Canton forms so natural a link in the chain of commercial operations with India, that a great portion of the tonnage would come

from Bengal and Bombay to Canton, and would not cost over 2*d.* per lb.; and from experience, since my last examination, I am convinced that 2¼*d.* and 2½*d.* per lb. is high enough to fix the freight for the present time, or any time within three years. Mr. Melvill states that the exchange is taken at too favourable a rate, and that the Company have not been drawn on at that rate: he has not stated at what rate the Company were drawn on. By the statement of Mr. Lloyd it appears that more than 4,000,000 of tales of the 6,000,000 required for the year 1828-9 were derived from bills on Bengal, and the sale of British manufactures, near 2,000,000 being for bills on Bengal. The official valuation prevents my getting at the rate of exchange at which these bills were drawn; but I have here a Canton price-current of the 20th of February, which gives it at... 202

of March 200

and of April 202

If 202 Sicca rupees, per 100 dolls., be taken as the probable rate at which the Company negotiated their bills, the exchange at Calcutta being at 1*s.* 10½*d.* the exchange in London would have been established at a fraction under 3*s.* 10*d.* Bills in Calcutta are drawn at 30 days' sight from Canton; the interest gained would therefore compensate for the expense of passing the operation through Bengal. Mr. Melvill states that the Company have sold in 1829-30 only 27,455,063 lbs. of tea; but in the general account of imports and exports I find the quantity of tea retained for consumption, deducting exports to colonies, &c. in 1828, was 29,305,757, to this should be added upwards of 200,000 exported to the colonies, making 29½ millions, which corresponds with Paper No. 38, signed T. G. Lloyd, by which it appears that the quantity sold in 1826 was... 29,409,251 lbs.

1827 30,327,169

1828 29,982,080

This amount includes the private trade, which, as now carried on in teas, is only a branch of the monopoly. Taking 29½ millions, therefore, as the present consumption of those that are compelled to obtain their supply through the Company, and the difference between the price at which I have stated the tea could be sold and yield a profit, if free, and the Company's sale price, which is, 12 $\frac{14}{100}$, the total difference for the year 1829-30 would be £1,492,208. Since my last examination I have procured from Holland a sample of the tea which cost 29 tale, and also of that which sold at 3*s.* 1½*d.* and 2*s.* 7*d.* at the last sale of the Company; in my judgment, the Company's highest-priced tea has the preference in quality, but that which sold at 2*s.* 7*d.* is barely equal to the sample from Holland. Mr. Melvill states that the average cost of the Company's congo tea, 1828-9, was 29 tales and a fraction. The Committee will understand that he probably speaks in the language of the India-House, which means that the cost of the tea in tales, the expenses of the fac-

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tory, loss on adventures in cotton, &c. &c. all added together, make that cost; for I cannot bring myself to believe that the Company's agents, who are clever men, would have bought congo tea at the prime cost, on the average (in the common acceptation of the term prime cost,) of 29 tales and a fraction, when the *highest contract price* was 29 to private traders, and teas of nearly equal quality were 60·1 at tale 18 in April, and the general prices-current quote it from 15 to 20 tales, with a heavy stock from December to that time. I never intended to state that the Company gained the sum of a million and a half, and can readily believe what Mr. Melvill states in regard to that.

5630. At what did the tea, which you state cost 29 tales, sell in Holland?—In Holland it will not fetch the cost at present. I beg to state that I have with me the prices-current to which I have referred.

5631. Do any other observations occur to you upon Mr. Melvill's remarks upon your evidence?—I have no other observations to make.

5632. Do those prices-current which you have produced now support the accuracy of the statement already given to the Committee as to the prices?—They do. January 1829 congo tea is quoted 18 to 20 tales per pecul, and February the 20th from 15 to 18; with this remark, "There is said to be left over 40,000 chests of congo and souchong, exclusive of the Company's winter teas; the prices are likely to be very low hereafter." March the 17th, 1829, the price had fallen to 15 to 17 tales. April the 6th congo tea is quoted at 15 tales; I have quoted it at 15 to 18, because I know that very good congo tea was bought at those prices.

5633. It would appear from your evidence that you rather think the Company buy their tea dearer than the private dealers?—The amount of what I have stated is, that I think the statement of Mr. Melvill embraces items which are not usually brought into the prime cost of tea; that therefore, according to my mode of estimating the cost of tea, he is incorrect.

5634. You observe that Mr. Melvill states that the Company pay at the rate of 29 tales and a fraction for their tea; and from the price-current to which you have referred, it appears that the highest was to be had in the month of March at 18 tales?—I did not state that *contract* tea was to be had at that price. Mr. Melvill states that the *average price* of congo tea was 29 and a fraction; I state that I cannot believe that the Company's agents, who are clever men, have purchased congo tea, of the qualities generally shipped, at the *average* prime cost, in the common acceptation of the term, of 29 tales and a fraction, when the *highest contract price* was 29 tales; and the inferior

qualities and the winter teas, not bought on contract, would reduce that average much below the price of 29. 3 June 1830.

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5635. Have you not read from the price-current that the price of winter teas was 18 tales, and in April reduced to 15 tales?—I have.

5636. Are you not aware that in the winter shipping is entirely over at that time?—I am not aware that it is, because I have seen invoices of teas at that period.

5637. Are you not aware that the Company are very large and extensive purchasers of teas?—I believe the Company make their purchases in a great degree by contract, which contracts must be entered into during previous or early parts of the year, and that the shipments are made in December; but that considerable portions of tea are purchased by the Company's agents in the market, perhaps 50,000 or 60,000 chests, at prices much lower. I have taken the highest price at 29; even the *contract prices* go down, according to the quality, to 23 tales; I think I cannot therefore believe that the average purchase-price of the Company's teas can be 29 and a fraction.

5638. Are you not aware, that after the best articles have been taken out of the market the refuse only remain, that may be had at a much inferior price?—I am quite aware of that.

5639. Does it not appear that if the Americans purchase teas at 14 tales, those who have purchased at 29 have purchased dear?—I should say that 29 tales may be a very fair contract price, but the contract prices for the different qualities of contract teas go down below 29 tales. I have stated that in the month of April congo tea, of No. 2 contract quality, cost but 18.

5640. Is that the Company's contract?—It is the same thing; the Company have not the exclusive privilege of contracting.

5641. What is No. 2. quality?—It is a quality below the first.

5642. Is it better or worse than what may be called the average quality?—I should think rather better; congo tea should be of very good quality at 29.

5643. At what time of the year was that?—The purchase was made in April 1829. The contract was entered into in the early part of the year, but the tea was shipped in December 1828.

5644. By whom was that contract made?—That contract was made by a correspondent of our house.

5645. Do private merchants make contracts as well as the Company for tea?—They do, and would oftener do so if they found it more profitable; but I apprehend they feel it more advisable to deal in the middling descriptions of tea.

5646. On reference to answers to questions 3251 and to 3256.

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it appears that you have averred that it is very difficult to make even a par-remittance in teas; are the Committee not therefore to infer that the outward consignments have been profitable?—I should conceive so.

5647. Have the goodness to turn to the account of the 30th of April 1830, ordered to be printed 11th of May 1830; is it not the fact that since the Americans have taken manufactures from England, about two-thirds of their imports have been in specie?—I should think it very possible that might be the case.

5648. In that case, where was the profit to arise from to satisfy the merchants against the loss on absence of gain in the tea investments?—That part of the business relates to America entirely, and the profits alone on tea and silks form the inducement to operate. The expeditions to Canton from the United States are undertaken by a variety of persons; one man will put in 5,000 dollars, another 2,000, and so on, making up the capital for a cargo of tea; those persons have not extensive credit abroad, and they have no knowledge of trade in British manufactures; it is only the more extensive dealers who have made themselves acquainted with that, and have continued to operate in it.

5649. You were never in China?—Never.

5650. You say the reason they sent dollars is that they are without credit; how do they get credit?—The man who would send a few thousand dollars is unknown in the mercantile world; he may have no knowledge of British manufactures, and very little to with England.

5651. Do you think that persons who have money could not buy goods if it was an advantageous thing?—They are ignorant of the trade in goods; they know nothing about it; and it would require a double capital to send goods, the sales of which are sometimes slow.

5652. Do you mean in the great shipping ports of America? —Yes, and even in London, where it is carried on, but few persons understand it; I mean the details.

5653. Do you think that if the traders of London found it more advantageous to send goods than bullion, they would not adopt that mode?—They would, but it would take some time for them to understand it so as to conduct it successfully.

5654. Do you speak of manufactured goods?—Of manufactured goods. The persons who send out small sums of money may have no correspondents in London; they would have to deposit their money, and they prefer, in order to have less trouble, to send their silver; but that course, like the course to Bengal, was formerly very necessary. I think now it is not; and it is changing every day, and bills and credits are supplying the place of dollars.

5655. Upon the former occasion you stated that you could supply tea at two-thirds the cost price the Company's trade supply it at?—I stated that I would supply the consumer of tea at one-third less than the Company's sale-prices, and I calculated on its giving a very great profit; I meant one-third of the price at which the tea is sold at the Company's sales. 3 June 1830. J. Bates, Esq.

5656. Are you aware that prospectively the Company is likely to supply tea costing $2\frac{1}{2}d.$ per pound for its carriage home?—I am not aware of that. I am aware that the freight ought not to be more than that in 1834; and it appears from the paper shown to me, that the rate of freight will be that; I should think that probably competition might carry it a little lower, but not much.

5657. Will you refer to the paper now shown to you, and state whether you are aware that the Company's freights are likely to be as low as £12 per ton in the year 1834 [*an estimate of future freight being shown to the witness*]?—I see by this paper that £11. 10s. 11*d.* is put down as the freight of twenty ships in 1834; but I do not know the object for which this is made up.

5658. If such be the fact, would not your computation be an excessive one of the comparative cost of two-thirds?—I only made that offer for the present time; I do not know what it might be at a future time; the Company might reduce their prices by bringing more tea to market; they might reduce it to a price at which no one would be willing to compete; but I merely remarked, as a proof of the sincerity of my opinion, that I should be willing to contract to supply the tea at two-thirds of the Company's present sale prices.

5659. And that you compute that those prices would still give you what you call a fair commercial profit?—I was not without an employer in making the offer. I knew where I should get commission out of it.

5660. How much would your employer get?—He calculated on making a considerable sum.

5661. In making this calculation, that you can furnish tea to the English market at one-third less than the Company, at what rate per cent. do you reckon that you can purchase your tea cheaper in China than the Company do?—I cannot say if it would be bought any cheaper; persons on the spot differ as to the mode of buying. I am inclined to think it would be bought rather cheaper.

5662. Can you give any thing like a proportion?—I cannot.

5663. In your calculation have you reckoned the tea as purchased in China at the same rate at which the Company purchase?—My calculation was, that in the present improved way of carrying on trade, saving the immense expence of those

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large ships, and the small expence of the London, St. Catherine's, and other docks, in comparison with the present mode of managing tea, with the high price obtained by means of monopoly, would give a very large profit to the person who should import them on the present improved mode of doing things; that a person unfettered by any Act of Parliament, not having purchased large warehouses or docks to carry it on, would carry it on at a much less charge than the Company now do.

5664. And not being obliged to keep a stock?—Not being obliged to keep a stock; and he would spread his shipments from Canton over a greater portion of the year than the Company do.

5665. How much per cent. advance upon the prime cost of teas would remunerate the private trader?—That depends on the quality of the teas. I stated to the Committee that 25 per cent. upon a cargo of teas to the Continent, but those cargoes comprise a greater portion of fine teas; that would not be enough on teas to England. I should say he must carry it as high as 35 per cent.; that would leave a net commercial profit of 10 per cent., out of which the agent in Canton would be paid, and the merchant here would take the remainder.

5666. Would an advance of 25 per cent. on the prime cost leave a net profit of 10 per cent.?—On the finer qualities it would, for the expence of freight does not bear the same proportion on them; the finer the quality the less per-centage of gross profit may give the same result.

5667. Would you contract to supply tea for the consumer for the next five years for two-thirds of the price the Company will be likely to supply at, according to the documents on the table?—I could not make a contract which was to depend on another party; I think that would be hardly safe.

REPORT

FROM

THE SELECT COMMITTEE

OF

THE HOUSE OF COMMONS

ON

THE AFFAIRS

OF THE

EAST-INDIA COMPANY.

CHINA TRADE.

LONDON:

PRINTED FOR PARBURY, ALLEN, AND CO., LEADENHALL STREET, AND J. M. RICHARDSON, CORNHILL.

1830.

LONDON:
Printed by J. L. Cox, Great Queen Street.

REPORT.

[The Figures at the foot of the page denote the numbers of the Questions which gave rise to the Evidence upon the several points; and in the edition printed by order of the Honourable House of Commons the numbers from 3400 to 3999 having been repeated by mistake, those numbers in the present edition are distinguished by having the letter *a* annexed to the second series, and are referred to accordingly.]

THE SELECT COMMITTEE appointed to inquire into the present state of the Affairs of the East-India Company, and into the Trade between *Great-Britain*, the *East-Indies*, and *China*, and to report their Observations thereupon to the House; having from time to time reported the Minutes of Evidence, and having now closed that part of the inquiry which respects the China Trade, deem it expedient to place before the House a Summary of all the Evidence which has been taken upon that subject.

Your Committee directed their attention, in the first instance, to the papers relating to the finances of India, laid before the House in February last by the King's command; but having found it necessary to call for further statements, your Committee determined to proceed to an examination of the state of the trade with China, postponing,

until that should be completed, their inquiry into the Company's finances.

The present report, therefore, will embrace only the CHINA TRADE; but as in the course of it there will frequently be occasion to use the term "Board's Rates of Exchange," it may be desirable so far to refer to the first day's Minutes of Evidence, which relate exclusively to financial matters, as to explain that phrase to mean, that in the plan for the separation of the territorial and commercial accounts of the Company, framed in obedience to the Act of the 53d Geo. III. c. 155, s. 64, the Board of Commissioners for the Affairs of India (contrary to the opinion of the Court of Directors)* determined to use the old rates of exchange, according to which,†

the Sicca Rupee is equivalent to 2*s.* 3*d.* ·84.
the Madras Rupee to 2*s.* 3*d.* ·408.
and the Bombay Rupee to 2*s.* 3*d.*

and which as they now materially exceed either the bullion par or the market exchange, have the effect of giving to the Indian territory a great advantage from the Company's trade, independently of any direct benefit which may accrue to it from the appropriation of the surplus profits of that trade, as prescribed in the 57th section of the Act of the 53d Geo. III. c. 155. It is however stated that, if that advantage had not been derived by the territory in this form, there would have been a corresponding increase of the surplus so to be appropriated.

* See No. 4307 † See No. 72, 78, 82, 90, 112. No. 4900.

The evidence on the CHINA TRADE may be classed under the following general heads, *viz.*

The disposition of the Chinese in respect to Foreign Trade, and the mode in which their transactions with foreigners are conducted at Canton:

The state of the British trade with China, particularly of that in tea:

The mode in which the Company's sales of tea in England are conducted, and the effects of the laws which regulate the trade in that article upon the Company and upon the public respectively:

The trade of the Americans and of other foreigners with China: and

The effects expected from the abolition of the Company's exclusive privilege.

Multifarious as are the topics referred to in the evidence, they may all be comprised under one or other of these divisions; while by adopting this simple arrangement, your Committee hope to bring before the House, without troubling it with unnecessary details, a clear and comprehensive summary of the information they have obtained; abstaining from the expression of any opinion.

DISPOSITION OF THE CHINESE IN RESPECT TO FOREIGN TRADE, AND THE MODE IN WHICH THEIR TRANSACTIONS WITH FOREIGNERS ARE CONDUCTED AT CANTON.

THE people of China are represented to be intelligent, industrious, and persevering; and although said to be in some measure independent of foreign trade, owing to their success in agriculture and to their extensive inland commerce, yet highly sensible of its value, and anxiously disposed to cultivate it.* This disposition, indeed, is strikingly manifested in the Chinese settlers on the Eastern islands, whose object in emigrating is the accumulation of wealth with a view to returning into their own country, to which they have a strong attachment; and a further proof of this spirit is to be found in the number of Chinese junks which frequent the various ports of the Archipelago.*

One witness has certainly said that the Chinese are "anti-commercial;" but this term has been explained to apply, not so much to the disposition of the people as to that of the government, whose policy, as it is stated, is adverse to foreign trade and to all foreigners, even though they are aware of the advantages derived from that intercourse. Towards the English, it is by some apprehended, that there exist peculiar jealousy and distrust, arising from a knowledge of their terri-

* See No. 297, 3492a, 3670a, 3852a. No. 295, 371. No. 800, 922, 1129, 1870, 2208. No. 2640, 2671, 3424, 3792, 3852a. No. 4487. No. 3479. 3538, 3492a, 4274 et seq. No. 4739 No. 877, 3491, 3673a

torial acquisitions and military achievements in India, especially those in Nepaul and Ava.*

The government of China derives from the foreign trade a revenue, estimated at the most at £650,000 per annum, besides the advantage resulting from the patronage of Canton, said to be the most valuable in the empire, and to be sold by the government to the highest bidder. Hence it follows that the local authorities are greatly interested in maintaining the trade, which, from the same cause, is subjected to heavy taxes and extortions. The inhabitants also of Canton and its neighbourhood, as well as the numerous classes employed in the culture and manufacture of tea, have a deep interest in the trade, every interruption of which consequently causes great individual distress.†

The foreign trade, which is now restricted to Canton (excepting in the case of the Spaniards, who have still access to Amoy, a privilege stated to be nearly nominal, and very rarely used), was formerly carried on in other ports, from which foreigners were gradually excluded by acts of the Chinese government. In spite of these restrictions, however, it is stated that a contraband trade, chiefly in opium, has of late been openly carried on (without any disturbance from the Chinese authorities) with the ports to the north-east of

* See No. 369. No. 1358, 1113. No. 297, 371, 1315. No. 2541, 2689. No. 3627, 3495*a*, 3852*a*. No. 177, 369, 426, 529. No. 2451, 2689.

† See No 173, 1329, 3539. No, 173, 3787. No. 128, 2542, 2647. No. 2691. No. 1331. No. 805, 2645.

Canton, which are represented to be safe and excellent harbours.*

Foreigners are interdicted, by Chinese regulations, from going within the walls of Canton. The place of their abode is a small suburb, and their residence there is authorized only for the period of the shipping season; but that limitation is not enforced, the Company's servants going when they please to Canton, and some private merchants residing there throughout the year.†

Tea, although cultivated in maritime districts, is brought chiefly to Canton through the interior, the government prohibiting it from being transported by sea in native vessels, in which, however, in spite of that prohibition, tea is conveyed in considerable quantities to the Eastern Archipelago, and even to Canton.‡

Foreign ships are not permitted to trade at Canton until security is given to the government for the payment of its dues; which security also involves responsibility for the good conduct, and submission to the laws, of the ship's company. The only persons whom the government accepts as such security are the Hong merchants, formerly ten in number, but reduced by bankruptcies to seven. These, with the exception of the senior, excused upon the ground of his numerous avocations, become security for the Company's ships in

* See No. 170, 389, 1310. No. 170, 702, 4490. No. 170, 1308, 1319, et seq. No. 4441*a*, et seq.

† See No. 275 to 277.

‡ See No. 332, 883, 3052, 3807*a*, 3874. No. 1881 et seq. 2709, 3519, 3658, 3797, 3682*a*, 4462 et seq.

turn, the whole of the Company's trade being apportioned among the seven Hong merchants in shares.*

It has been stated that the Hong merchants have occasionally manifested an unwillingness to become security for Indian and American ships, and required, as a condition of the undertaking, to be traded with exclusively; but, on the other hand, evidence has been given that no such difficulty has been experienced, and that the security merchant is selected by the trader with a view to his own interests, it being the practice to trade always in part, and generally in chief, with the merchant so selected.†

The Hong merchants form the body through which the government of China permits the foreign trade to be carried on, allowing, however, other persons (designated in the evidence as "Outside Merchants" and "Shopmen") to trade with foreigners; but not in certain articles, such as tea, raw silk, cloths, and woollens, all of which are by the Chinese edicts reserved exclusively to the Hong merchants, they being responsible for the duties of the outside merchants.‡

The Hong merchants are by law mutually responsible for each other, to a limited amount; but that regulation does not appear to be always enforced.||

* See No. 424, 478, 659, 680, 925. No. 423, 1004. No. 171, 424, 671, 686. No. 613, 1201.

† See No. 424, 679, 681, 684, 691, 3041. No. 665. No. 1151, 1570, 1935, 3263. No. 1157, 1570.

‡ See No. 171, 172, 480. No. 468, 833, 1280, 1300, 2676. No. 324, 1269 et seq. 1278, 1303. No. 659, 1472.

|| See No. 701, 937, 3727.

No one is responsible for the debts of the outside merchants, and traders are warned of this in official notifications.*

The Hong merchants are stated to be fair and liberal in their conduct. A similar opinion, though with less confidence, and some qualification, has been expressed respecting the outside merchants.†

The East-India Company deal exclusively with the Hong merchants, and are represented to be the only traders who abstain entirely from all illicit dealing. A preference has been expressed by most of the witnesses to trade with members of the Hong; but the officers of the Company's ships, and private traders, including the Americans, have frequent dealings with the outside merchants, even in tea and other prohibited articles.‡

From a communication made to the Court of Directors by the Select Committee at Canton, dated the 29th December 1829, it appears that four of the Hong merchants were in a state of inevitable bankruptcy; and that the Hong, generally, were in such a deplorable condition as to render necessary either "a radical change of system," or an increase in the number of Hong merchants. With a view to this object, a negotiation was commenced by the Select Committee with the local authorities; and advices have recently been received, dated the 23d of February and 2d of March last, announcing that this negotiation had

* See No. 1470 and 1471.

‡ See No. 1120, 1586, 1970. No. 1120, 1469, 1581, 1974, 3261.

† See No. 181, 427, 623, 1204. No. 323, 461, 558, 782, 924, 1101, 1467, 1580, 2056, 2294, 3258. No. 1581, 1932, 1977, 2283, 2912, 3259.

led to the addition of three merchants to the Hong, and to the expression of a desire on the part of the Viceroy of Canton further to increase the number.

The object of the Chinese government in their several regulations affecting foreign trade, is stated to be that that trade should be always within their own control. This would have been more completely secured than at present, had that government accomplished a plan, proposed in 1814, under the sanction of an imperial edict, for giving to two or three of the senior Hong merchants, as the agents of the government, an absolute power to fix prices. The attempt was resisted by the Company's Supercargoes, who, after having recourse to the measure (adopted usually by the Chinese when they have an object to attain) of stopping the trade, succeeded in defeating an arrangement which must have proved injurious to all foreigners in China.*

Most of the witnesses who have been at Canton concur in stating, that business may be transacted there with greater facility and expedition than in almost any other part of the world, much of which is said to be owing to the transactions connected with each ship being all managed by the same person, the security merchant. It has been further stated that the Hong merchants have occasionally aided the operations of commerce, by advancing money on loan to foreigners.†

* See No. 662. No. 189 et seq. No. 484. No. 459, 486, 2625 et seq.

† See No. 952, 1573, 1963, 2592, 3263. No. 3417, 3765, 3852, 3851*a*. No 1966. No. 1122, 1605 et seq.

Smuggling in various articles is carried on in China to an immense extent, and to the injury of the Hong merchants, who are never concerned in it. It takes place chiefly in the contraband article of opium, which is imported into China in country and American ships, and much of which is purchased at the Company's sales in India.*

The Chinese government prohibits the use of opium upon a moral principle; but this prohibition, although frequently reiterated in imperial proclamations, is not only disregarded by the people, but also by the government officers, who appear systematically to connive at the smuggling of opium, and to derive a large profit from the bribes of the smugglers. The Company's servants in India and China are cognizant of the fact that the opium sold at their sales is conveyed to China, but they are expressly prohibited from having any dealings whatever in that article.†

STATE OF THE BRITISH TRADE WITH CHINA, AND PARTICULARLY OF THAT IN TEA.

The trade of the United Kingdom, and of British subjects with China, which in the aggregate largely exceeds that carried on by all other foreigners, is by law (53d Geo. III. c. 155, sec. 2 and 8) vested in the East-India Company until April 1834; and no tea can, at any place, be put on board of a British vessel, or of any other vessel, by

* See No. 174, 480, 483, 1996. No. 291, 428, 1900, 3356. No. 3743.

† See No. 741. No. 550, 715. No. 174, 713, 719, 2001 to 2005, 2526, 2534, 2577. No. 3795. No. 291, 706, 709, 2020.

British subjects, but by the East-India Company, or persons duly authorized by them. These privileges do not empower even the Company, either by themselves or by license to other persons, to trade between China and places not situated either within the limits of the Company's charter, or intermediately between China and Great Britain. The Company's charter comprehends, however, for the purposes of trade, the Cape of Good Hope (54 Geo. III. cap. 34, sec. 3); and the Company have also permission to trade to the British colonies in America, under the 5th Geo. IV. cap. 88.*

The exclusion of British shipping from the trade between China and foreign Europe, and other parts, has been very greatly complained of; and cases have been adduced in which, owing to the state of law in this respect, foreign ships have been engaged, upon advantageous terms, by parties who were willing to employ British vessels.†

The East-India Company reserve to themselves all the trade between the United Kingdom and China, excepting only a small portion allowed by way of privilege to the commanders and officers of their ships. Licenses are granted, by the Company's authority, to all Indian ships, usually denominated "Country ships," to trade between India and China, and to export from China a limited quantity of tea (stated not to exceed 400 chests in a ship), with permission to dispose of it

* See No 705. *Vide* Acts of 53 Geo. III. cap. 155, and 54 Geo. III. cap. 34, and Reports of Foreign Trade Committees, ordered to be printed 7th of May 1821 and 10th of July 1821.

† See No. 1501, 1743, 2013, 2153. No 3531, 3555.

at any intermediate port between China and the port in India to which the ship may be destined. These licenses do not include the Cape of Good Hope, the Company themselves supplying that settlement with tea, and at prices deemed high by some witnesses, notwithstanding an arrangement made some years since by the Company, for putting up their teas for sale at the Cape at an advance, not exceeding six per cent. on the cost and charges of importation.*

The licensed British trade in country ships, from India to China, has greatly increased, and is conducted by agents unconnected with the Company.†

The Company's trade at Canton is managed by an establishment of Supercargoes and Writers, twenty in all, with two inspectors, whose duty it is to examine into and report upon the qualities of all teas offered for sale to the Company. Three or four of the senior Supercargoes are annually formed into a select committee, who, under the orders of the Court of Directors, conduct the whole of the Company's affairs in China. The Select Committee possess certain powers over British subjects and country ships when in China.‡

The influence of the Company's servants at Canton is stated to be considerable, and to have increased of late years. They are admitted to

* See No. 405, 627. No. 2071. No. 2078 to 2081, 2831. No. 4117. No. 2066, 4028 and 4029, 4030, 4067.

† See No. 220 et seq., 284, 460.

‡ See No. 272. No. 272a. No. 280 to 283, 3884a. 33 Geo. III. c. 52. s. 133. 53 Geo. III. c. 155. s. 104.

personal conferences with the Chinese authorities, who occasionally pay visits of compliment to the Factory and the Company's ships. They are the only foreigners who are permitted (and much value is attached to the privilege) to address the local government in the Chinese language. All other foreigners are obliged to use European languages, whereby the government is enabled to put what construction it pleases upon the contents of the addresses.*

The Company's superior influence is ascribed to the magnitude and regularity of their dealings, and to their being able to temporise, without either incurring national dishonour, or bringing ruin upon themselves.†

Some of the witnesses have said, that neither the private British traders, nor foreigners, have derived any benefit from the Company's influence, the exercise of which has, on the contrary, excited complaints from persons interested in the country and American trade; whilst in contradiction to these notions it is maintained by others, that the country trade exists under the protection of the Company's trade, that the Company's influence has afforded a necessary and efficient counterpoise to that of the Hong, and that it has been successfully exerted in upholding the character and station of foreigners. It is stated, moreover, that by the influence of the Company searches of country ships have been prevented, and difficulties

* See No. 176, 188, 192, 386, 2450, 3825. No. 229, 230, 386. No. 193, 228, 384, 488. No. 2604. No. 193, 461, 554.

† See No. 188, 372, 3360, 3711. No. 2638, 2650.

in the prosecution of their transactions removed; that exactions and combinations have been checked and resisted; and that foreign trade, in general, has been greatly benefited by means of that influence, the objects for which the Company have had to contend being for the most part of common interest to all nations.*

Difference of opinion exists among the witnesses, as to whether the same degree of influence as is now possessed by the Company in China, could be maintained by a British Consul unconnected with trade. Some assert, that the Chinese are not prepared to recognize *foreign dignities* (in proof of which their refusal to acknowledge the authority of a British Admiral, in 1808, has been adduced), and that they respect the Company solely on account of their large commerce; and on the other hand it has been asserted as strongly, that equal if not superior respect would be paid to a political functionary delegated by the crown.†

The Company do not grant licenses authorizing British subjects out of their service to reside in China; but a small number, acting for the most part as consuls for the foreign nations, are resident there, and carry on extensive transactions of trade and of agency.‡

The main object of the Company's trade with

* See No. 1003-1041, 1690, 2143. No. 2158, 2784, 3469. No. 278, 826, 1264 et seq. No 1290 et seq. 1466, 3041. No. 3755 et seq. 3861*a*. No. 295, 458, 467, 626. No. 3041, 3046, 3080. No. 416, 1301, 2613, 3041. No. 226, 3042. No. 178, 189, 191, 416. No. 784, 2614, 3047, 3736.

† See No. 203, 396, 787, 794, 1743. No. 203, 791. No. 3880*a*.

‡ See No. 2130, 2500. No. 278, 626.

China is the provision of tea for the consumption of the United Kingdom, under the regulations of the Act of the 24th Geo. III., c. 38., usually called "The Commutation Act," which require that the Company "shall from time to time send orders "for the purchase of such quantities of tea, and "provide sufficient ships to import the same, as, "being added to the stock in their warehouses "and to the quantities ordered and not arrived, "shall amount to a sufficient supply for the keep-"ing a stock at least equal to one year's con-"sumption, according to the sales of the last "preceding year, always beforehand.*

Tea purchased by the Company in conformity with this enactment, used formerly to be paid for principally by bullion exported from England; and it would appear that the Americans still effect their purchases in China more readily with dollars than through the medium of merchandize.†

The Company now provide their funds at Canton by sales there of the produce and manufactures of Great Britain, exported by them from hence; and by sales of the produce of India taken from thence to China, either by the Company and their officers, or by private traders, who readily exchange a portion of the sale proceeds for the Company's bills on India. A very small proportion of funds is raised by bills upon England, which, when drawn, are at the current exchange.‡

* See No. 4297.

† *Vide* Appendix to Lords' Report upon Foreign Trade, printed by Commons in 1821, pages 304, 306 & 307.—No. 1159, 1199, 1252, 1693. No. 1853, 2764, 2815, 3815*a*. No. 5094.

‡ See No. 349, 4297. No. 4166, 4297. No. 2428, 4005.

The Company's purchases in England for exports to China, consisting principally of cloths and woollens, are made by tender and contract, the conditions of which, framed with a view to obtain the goods in a perfect state, and considered by some witnesses to be necessary for that purpose, are said by others to be so strict as to deter some manufacturers from making an offer, and to compel those who do (the number of which, however, is given in evidence to be large) to demand high prices, as a compensation for the risk of rejection of their goods.*

The goods rejected are often purchased at reduced prices, and exported in some instances, as it appears, to China by the Americans. Although the Company occasionally take goods not equal to contract, at an abatement of price, yet it is alleged that a public body cannot so conveniently depart from written contracts as a private merchant, and that consequently the effect of the Company's contracts is to obtain a perfect investment at too dear a price. Evidence on the other hand is given to prove, that in consequence of the arrangements of the Company, they are supplied with goods upon better terms than private merchants would be, supposing the quality of the goods to be the same. It has also been stated, in favour of the Company's cloths and woollens, that goods exported to China by the Americans (some of which are stated to have been of inferior kind) have been packed in the same form, and stamped with a mark closely resembling

* See No. 2944, 4769 to 4771. No. 3148, 4780 and 4781. No. 3387, 4848. No. 2945, 2956, 3111. No. 3114. No. 3007, 3115.

that of the Company, which is a passport, it is said, for goods from Canton into the interior, and this without the intermediate examination to which goods not bearing that mark are subject.*

The exports by the Company of the manufactures of Great Britain, notwithstanding their desire to increase the consumption of them in China, have fallen off in value during the present charter : and in some articles, though not in the aggregate, there has been a decrease in quantity, owing to a reduction of sale prices at Canton, caused, it is said, by considerable importations by the Americans. The decrease in the Company's exports has been chiefly in woollens.†

Some witnesses allege that these importations by the Americans have been unprofitable ; whilst others state that they have yielded a fair profit, and they infer from the continuance of this branch of the American trade, that such must have been the result of the transactions ; though again, it has on the other hand been said, that if the Americans had found it really profitable to take British manufactures to China, they would have still further augmented such exports instead of taking specie.‡

* See No. 2254 to 2260, 2875. No. 2950, 3129, 3386, 4754. No. 4830, 4853, 4855. No. 3119, 4852. No. 2959, 3180, 3384 et seq. No. 4773, 4793, 4834, 4867. No. 2247, 2253, 2262 to 2265, 2268, 2885, 3372 et seq. 4759, 4764. No. 206, 391, 2897, 207, 392.

† See No. 182, 815, 2991, 4817, 5123. *Vide* Papers ordered to be printed 4th June 1829, and return of the Foreign Trade ordered by the Lords to be printed, 11th May 1830. No. 505, 1245, 1458, 5128.

‡ See No 180, 212, 307, 510, 1442, 2681 No. 1857 et seq. 2853, 3255. No 3390, 3630, 3806*a*. No. 510, 1442.

It is said that some articles of British manufacture, particularly camlets, are smuggled into China, to evade high duties, levied as a protection to the native manufacturers; that the demand in China for British manufactures is limited by the restriction of the trade to one port; and that although woollen clothing is extensively used in the cold season, yet the chief demand for it is in the northern parts of China, the access to which, for bulky goods, owing to the distance and to heavy transit duties, is difficult and expensive. Were it not for these impediments, it is imagined that the consumption of British manufactures in China might be greatly increased.*

The late reductions in the home price of British manufactures will, it is expected, have enabled the Company to realize a profit upon their exports during the last two years; but upon the whole, their exports of those manufactures have occasioned loss. Notwithstanding the loss stated to have been so incurred, the Company have continued this trade, influenced, as is declared, by a desire to promote the interests of the manufacturers, and of the growers of British wool, and by a conviction that their conduct in this respect was in accordance with a policy prescribed in charters and legislative enactments.†

It used to be the practice of the Company to barter British manufactures for teas; and from

* See No. 664, 1442, 1790 to 1796, 2009, 2820. No. 644. No. 2819. No. 878, 1701, 4470. No. 183, 358, 388, 1451, 2805. No. 470, 1357, 4778 and 4779. No. 358, 3546.

† See No. 302, 1242, 1437, 5124. No. 180, 299, 387, 504, 1440, 1326, and 1327. No. 182, 507, 4327, 5128.

some parts of the evidence it would seem that this, to a certain extent, is still practically the case, not only with the Company, but also with private traders. Other witnesses, however, acquainted with the Company's mode of transacting business at Canton, have stated that the system of barter has been altogether abandoned by them; that the prices of teas and of woollens have no reference to each other; and that the goods imported by the Company from England are disposed of at money prices, regulated by the market prices, and annually adjusted with the Hong merchants. But these merchants are said to be unwilling purchasers, and to be induced to take the goods only in consideration of the advantage resulting to them from the Company's large purchases of tea; and moreover, it is given in evidence, that the Hong merchants induce the persons who bring the tea to market to take the goods in part payment.*

The produce of India exported to China consists principally of raw cotton and opium. The trade in the former article is conducted PARTLY by the Company, who are said formerly to have taken the cotton in kind, to the injury of the cultivators, and now to buy the cotton dear, and to lose by it; but in reply it is observed, that the trade in cotton would be profitable were it not for the freight, and this freight being a portion of that payable on the ships which import the teas, would be incurred, even if no cotton were sent to China; PARTLY the trade in cotton is conducted by the commanders

* See No. 342, 1243, 1816, 2137, 3812a. No. 2010, 2285, 2810. No. 3689, 3702. No. 342, 573. No. 621, 642. No. 205, 362, 408, 504 No. 574, 616, 3799a. No. 205, 312.

of the Company's ships, who are compelled to buy it from the Company and to pay the cost into the treasury at Canton, at the intrinsic value, computing the price of silver at the old standard of *5s. 2d.* an ounce; and PARTLY by private merchants, whose trade in cotton formerly yielded considerable profit, but which has latterly much fallen off, owing to the cotton of India having experienced an increased competition with that grown in China.*

The trade in opium, which is altogether contraband, has been largely extended of late years, and is conducted by private merchants, British and American. The opium is readily disposed of in China; and the returns of merchandize from China to India not being proportioned to the value of the opium, many of the ships go back in ballast, taking their sale proceeds either in bills on India, or in specie, the exportation of which requires a license from the Chinese authorities. This permission is granted occasionally for dollars, but never for native silver, usually called sycee. Both are, however, constantly exported by private traders to India, in spite of the prohibition; and the whole export of silver by different parties has in some years considerably overbalanced the importation of dollars.†

By these several methods of placing funds in China, in addition to drafts upon England, the

* See No. 3488*a*, 3520*a*, 4320 and 4321. No. 5114 to 5117. No. 4322 and 4323, 5118. No. 3520, 4134. No. 2666, 3081. No. 253, 2794.

† See No. 224 and 225. No. 339, 428, 1796 et seq. No. 1899, 1900, 3357 and 3358. No. 3923*a*. No. 765, 3496*a*. No. 764, 2769. No. 2551, 3497*a*. No. 762, 768.

tale (a nominal or imaginary money in China, estimated by Americans as bearing the proportion of 133 dollars to 100 tales) has cost the Company very nearly 6*s.* 8*d.* upon an average of *all the years* since 1814-15; but in this cost, as is to be observed, are moreover *included* the freight and actual charges upon the outward consignments, and a portion besides of the charges of the establishment in China; and the loss, by the *Board's rates* of exchange (referred to and explained in the early part of this report) is *included,* so far as the Indian part of the transaction is concerned. But on the other hand, this profit and loss computation of 6*s.* 8*d.* the tale does not include interest upon the Company's capital, and insurance from sea risk. Interest and insurance are *omitted,* upon the principle, as is stated, that neither the one nor the other are actual outgoings. It has been mentioned in evidence, that the rate of 6*s.* 8*d.* per tale is that which has for a long period been used in the profit and loss accounts of the Company's China trade, and has also been recognized by the several Parliamentary Committees which at different times have had to investigate the Company's affairs.*

The Company's exports from China are now confined to tea, the trade in which has considerably increased since 1814. The Company have discontinued the exports of nankeens and silk, which latter article in its raw state appears to have been sent in some quantities to Sincapore,

* See No. 1587, 4262, 4308, 4888. No. 3413, 3946, 5572. No. 4909 and 4910, 5088. No. 4394. No. 4398. No. 4375, 4913. No. 4888.

and from thence brought to England in private trade.*

Tea is grown and used throughout China. Those species which are suited for the European and American markets are stated to be produced in five provinces; but doubts, as it appears in evidence, are entertained, whether the quantity of *fine* teas required for those markets could be materially augmented, an opinion being also given that an increased demand would for a time cause a rise of price. Supposing the quantity could be augmented, previous arrangements would be necessary to obtain it; the tea plant requiring at least two or three years to come to maturity. A sudden supply of an increased demand, especially for green tea, would, it is said, be of a deteriorated quality. In cases, however, where the Chinese have found that the demand was increasing, they have made their provision accordingly, though some difficulty has occasionally been experienced by traders in obtaining all they wanted.†

A large proportion of the Company's black teas is bought by previous contract with the Hong merchants, who form corresponding engagements with the cultivators, to whom the Hong merchants make pecuniary advances. The practice of making advances to the Hong was formerly used by the Company; but it is now abandoned, from finding that it often entailed an obligation to receive the

* See No. 746, 546. No. 747. No. 749, 750.

† See No. 1395, 1400, 2091, 2701. No. 3693 to 3696*a*, 3733*a*, 204. No. 1391, 3692*a*, 3695*a*. No. 208, 356, 778, 1098, 2490, 3703*a*. No. 3393, 3469*a*. No. 380, 411, 1432, 1434, 2732, 2797. No. 208, 446, 2799. No. 1118. No. 414 and 415, 1593.

tea, whatever its quality might prove; and also from a desire to lessen the amount of the Company's risks in China. The method of previous contract is considered by some witnesses to be well calculated to effect a regular supply, and of good quality; but on the other hand an opinion has been expressed, that the tea might be bought more advantageously by watching the state of the market.*

The prices of all the Company's teas are settled, after an examination of their respective qualities, by a *descending scale*, fixed many years since; but subject to change in the event of alterations in the market price, the Canton market for teas being said to be a fluctuating one. It is however alleged that the market price is regulated by the Company; and instances are adduced of their not only having successfully resisted combinations of the tea merchants to raise their prices, but also of their having, in the year 1825, effected a material reduction in the market prices of contract teas.†

The Company appear to have the pre-emption of most of the black teas, of which they are by far the largest purchasers; but they have not the pre-emption of the green, of which the Americans are the largest purchasers. This advantage

* See No. 186, 408, 579. No. 498. No. 186, 204. No. 204. No. 2138, 2594. No. 3269.

† See No. 186, 1211. No. 579, 592, 1211 to 1213. No. 181, 1230. No. 927. No. 178, 423, 1230, 1236, 3479*a*. No. 200. No. 200, 603, 1212.

in the market is stated to depend upon the extent of the respective dealings.*

Many of the witnesses concur in saying, that owing to the extent of the Company's purchases, to their system of contract, and to their great regularity, they buy the teas, particularly the black, at comparative advantages. Instances have been mentioned of teas intended for the Company having been sold by the Hong merchants to other parties at an advance of price. One witness indeed is of opinion that the Company pay higher-prices than private traders; and it is said, that by waiting until the Company's season is over, teas are purchased more cheaply than by the Company during the season; but it is in this mode that the Company themselves buy their winter teas.†

Difference of opinion exists at Canton regarding the effect of the Company's transactions upon prices in China; some maintaining that it is to keep down prices; and others that it is of an opposite character.‡

* See No. 186, 199, 409, 930, 1412, 2490, 3044, 3577. No. 187, 316, 1043, 3446. No. 4294, 3448.

† See No. 199, 380, 930, 1412, 1599, 1817, 2135, 2142, 2596, 2740, 3051. No. 1600 et seq. No. 3271, 5179 to 5181. No. 2740. No. 1218 to 1223.

‡ See No. 3402. No. 382, 416.

THE MODE IN WHICH THE COMPANY'S SALES OF TEA IN ENGLAND ARE CONDUCTED, AND THE EFFECTS OF THE LAWS WHICH REGULATE THE TRADE IN THAT ARTICLE UPON THE COMPANY, AND UPON THE PUBLIC RESPECTIVELY.

THE Act of the 24th Geo. III. cap. 38, provides that there shall be at least four sales in every year, at which there shall be put up such quantities of tea as shall be judged equal to the demand; that the tea so put up shall be sold without reserve to the highest bidder, provided an advance of one penny per pound shall be bid upon the prices at which the same shall be put up; and that it shall not be lawful for the Company "to put up "their tea for sale at any prices which shall upon "the whole of the teas so put up at any one "sale exceed the PRIME COST thereof, with the "FREIGHT and CHARGES of importation, together "with lawful INTEREST from the time of the "arrival of such tea in Great Britain, and the "common premium of INSURANCE, as a compensa-"tion for the sea-risk incurred thereon."

The quantity of tea sold by the Company has greatly increased since 1814. The average of three years 1814-15 to 1816-17, was 25,028,213 lbs.; and the average of the three years 1826-27 to 1828-29, was 28,017,238 lbs. It has been stated that the principle to which the Company look in determining what quantity to offer for sale, is the amount of deliveries and the quantities sold at the previous sale. The average sale proceeds of the

larger quantity in the last three years, amounted to no more than £3,376,773, while that of the smallest quantity in the three first years of the present charter was £4,003,838.*

The supply is said to have more than kept pace with the demand. Considerable quantities offered have occasionally been withdrawn, in consequence of no advance having been bid on the upset price. Some complaint was indeed made some years since, on the part of the Scotch dealers, that the Company did not put up enough; but it is stated, that when the Company augmented their supply, the same dealers complained of the increase, owing to their interest being affected by a reduction in the value of their stock in hand, the amount of which, however, is said to be generally very small.†

From the Act which has been quoted, it will be observed that there are five component parts in the computation of the upset price of tea, *viz.*

Prime Cost,
Freight,
Charges,
Interest, and
Insurance.

To these it will be desirable, for the purpose of fully investigating an important part of the subject, to advert separately.

* Papers as to Trade with India and China, ordered to be printed 4th June 1829. No. 4941. No. 4369, 4941, 4947 et seq. No. 4943, 5065. Papers as to Trade with India and China, ordered to be printed 4th June 1829.

† See No. 411, 4366 et seq. 5420, 5428, 5555. No. 5420, 5483, 5455.

PRIME COST.

The Company, according to the evidence given, consider all their consignments and remittances to China as made solely with a view to the provision of funds for the purchase of tea. They therefore compute the PRIME COST of the tea at the sums expended in making those consignments and remittances, adding the CHARGES on the outward consignments, including INSURANCE; and also adding INTEREST from the first date of expenditure in respect to such consignments, until that of the arrival of the tea in England. In this computation (which your Committee have deemed it necessary clearly to explain) the Company do not observe the BOARD'S RATES of exchange, but the rates they have thought fit to adopt are founded on the old Mint standard of *5s. 2d.* an ounce, which, although much less than the Board's valuation, considerably exceeds the market price of silver; but it has been stated to your Committee, that upon an average of *all the years* since 1814-15, there is only a fractional difference between the value of the rupee at the market price and at the old standard.*

In the computation of the upset price, the Board's rates have not been used, because the Company, disapproving of these rates, would not afford to them any avoidable sanction, and because also the observance of them would have had the effect, which it is said the Company always

* See No. 3994*a*, 4149, 4164, 4297. No 4236 et seq. 4298, 4883. No. 313, 4175. No. 3994, 4244 to 4246. No. 4302, 4306 and 4307. No. 4827. No. 4305, 4306, 4827.

deprecate, of enhancing the upset price; but in the computation of profit and loss, the Board's rates are necessarily observed, as the loss to the commerce which they occasion must be so brought to account. Interest and insurance (as before shewn) form a part of the prime cost of the tea, inasmuch as the Company employ their capital and risk their property in importing it; but they do not enter into their statement of profit and loss, because the Company, trading upon their own capital, consider that there is no actual outgoing of interest; and because, as being their own underwriters, there is no charge for sea-risk beyond actual losses, which alone are therefore charged to profit and loss.*

It has been suggested that the more proper criterion for ascertaining the prime cost of tea, or indeed of any other article, would be the sterling value in exchange upon England at the *market price* at which bills may have been negotiated in the foreign country in the year of purchase; and, with regard to the market rate of exchange at Canton, an opinion is expressed that if the trade were thrown open, the exchange would considerably fall, a like result having taken place in Bengal when the Company's exclusive privilege of trade to India was put an end to. The cost to the Company of the tale, in their computation of the upset price of the teas, has amounted, upon an average of *all the years* since 1814-15, to 6*s.* 7*d.* ·502. If the bill of exchange rate had been the principle of

* See No. 4307. No. 4308, 4397, 4398. No. 4283, 4401. No. 4400.

computation, it would have averaged for *the same period* 6*s*. 8*d*. ·019 per tale. Restricting the comparison to the year 1828-29, the upset price valuation was 6*s*. 4*d*. ·624, as is shewn in an account made up at the East-India House; and it has been stated that in that year bills upon England were drawn from Canton on private merchants at rates even lower than 4*s*. the dollar, which is equivalent to 5*s*. 6⅜*d*. per tale; and that, if the monopoly did not exist, the rate would not upon an average exceed 4*s*. 3*d*. the dollar, some thinking that it would be even lower.*

In reply, it has been remarked, that the method adopted by the Company is in conformity with the laws prescribed to them by Parliament; that a computation of prime cost, founded on the rate of exchange prevalent at Canton upon London, would not be a proper criterion, as the Company cannot raise all their funds by bills upon themselves in England, without defeating the arrangement under which the proceeds of their imports are in part appropriated to payments for the territorial government of India, amounting, upon an average, to three millions sterling a year.†

The sum so paid in England is reimbursed to the commercial branch in India, the effect of that arrangement being to make the China trade, to the extent of two-thirds of the funds employed in buying teas, a trade of remittance for the Indian ter-

* See No. 3972*a* et seq. No. 3979*a*, 4306. No. 4232. No. 5250, 5321. No. 3413. No. 3979*a*.

† See No. 4341, 4347. No. 4166, 4311, 4342, 4344. No. 4312.

ritory. The commercial branch makes this remittance at the Board's rates, the gain by which to India, compared with the market rates, amounted, in 1828-29, from the tea trade alone, to £169,174.*

It has been further stated, in reference to the comparison between the value of the tale in the upset price computation in 1828-29, and its value in that year at the market exchange, that the Company's proceedings should be measured by the results, not of any one year, but of a series of years; that since 1814-15, the exchange at Canton upon London has fluctuated from 6*s.* to 4*s.* the dollar; and that the tale has, by the Company's combined operations, been more cheaply valued, taking the average of the present charter, than it would have been if computed at the rate at which bullion could have been sent to China, or at that at which bills appear to have been drawn in the same period; that, obliged as the Company are by law (24 Geo. III. c. 38) to provide a regular supply of tea, they could not risk a dependence on such a money market as Canton for all their funds (other persons, however, contending that the supply would be certain); that if they did so, they would be subjected to the combinations of persons having the disposal of the available funds in China; and that a great rise in the rate of exchange must have followed any attempt to negotiate bills on England to an ex-

*See No. 4301. Profit and Loss Account of the Tea Trade in 1828-29, laid before the Committee, May 1830

tent proportioned to the Company's demand for funds.*

A statement has been submitted, tending to shew that the prime cost of the teas sold in the United States of America is less than the Company's.†

FREIGHT.

The freight included in the upset price of the Company's tea is an average computation per pound of that which they have actually incurred in respect to the tea put up, all *political* freight and demurrage being carried to the debit of the territorial account. It has been said by several of the witnesses, and instances have been mentioned in support of their statement, that the Company's rates of freight are high, compared with those which private merchants pay; but this, on the other hand, has been attributed to the operation of the law (58 Geo. III. c. 83, s. 2, in which former similar enactments were consolidated) under which the Company build ships for the China trade, on contract for six voyages, applicable to warfare as well as trade; and it has been stated that most of such ships now in the service were contracted for in seasons of high prices; that the rates of freight are gradually decreasing; but that the Company's vessels, employed as they are in the conveyance of troops on distant voyages, must be equipped, even during peace, more expensively than would be required for a mere commercial

* See No. 4978. No. 759, 2436, 4969 and 4970 No. 4310. No. 4328, No. 4310. No. 4010*a*, 4333, 5146. No. 3976*a*. No. 4333. No. 4179, 4327, 5043, 5051, 5144, 5231.

† See No. 4294.

purpose. The charge *for freight* of tea imported in the Company's ships has amounted to about 4½*d.* for black, and 5½*d.* for green tea; and it has been stated that it could now be imported in private trade for 3*d.* per lb., or even lower. An account, however, has been laid before your Committee, for the purpose of shewing that through the gradual reduction of the Company's freight, their charge will not eventually exceed 2*d.* ·57 *dec.* for black tea, and 3*d.* ·21 *dec.* for green tea.*

The Company derive, as is given in evidence, an advantage in the employment of large ships, from the mode of levying the port charges at Canton, which are in some respects less in proportion for a large than for a small vessel; and it has been said that the large ships stow more rapidly and safely than the small, and carry more in proportion to their tonnage. The latter part of this statement has been controverted.†

The ships which the Company engage to convey teas to Canada are of a smaller description than those employed in the regular service. The Americans are said to have found by experience that the cheapest and best ships for employment in the Indian and China trade are those of about 400 tons.‡

* See No. 4248. No. 3994*a*. No. 1415, 2097, 2175, 2241. No. 3941, 3803*a* et seq. 3896*a* et seq. 4663 et seq. No. 4372, 4709 et seq. No. 3955, 4372, 4384, 4388. No. 3961, 4386, 4696. No. 4205. No. 3989*a*. No. 38, 5629.

† See No. 373, 1710, 1834, 1945. No. 2223 and 2224, 2238, 3900*a* No. 1385, 1387, 2230, 2357. No. 3922. No. 1832, 3868 to 3871, 3901*a*.

‡ See No 377. 434 and 435. No. 5310.

It has been declared in evidence that if the Company were unfettered by law, and were not compelled to make their ships applicable to political services, their freights would be as low as those of private merchants.*

CHARGES.

The charges are only those on the *homeward* investment; those on the *outward* consignments being, as already observed, included in the computation of the tale in the prime cost.

These charges comprehend the expenses of landing, housing, warehouse rent, and preparing for sale; also the commission of the Supercargoes, which is at the rate of two per cent. on the net sale amount of the teas, deducting charges, and is not paid until two years after shipment in China. The commission on the *outward* consignments, comprised under the head of prime cost, is at the rate of nearly two per cent. upon the sales in China and England. The rate of commission on the transactions of private traders and Americans in China appears to fluctuate from five to two and a half per cent., a single commission being charged on the outward and homeward investments.†

INTEREST.

It will be seen that *to* the prime cost, according to the Company's mode of computing it, is *added* interest *from the time of the provision of the funds*

* See No. 4373.

† See No. 4232. No. 343, 350. No. 351. No. 344. No. 366, 961, 989, 1032, 1105, 1717 et seq. 1957. No. 1720, 1721. No. 2544, 2587, 3709, 3789.

in China, up to *that* of the arrival of the tea in England, when the Company would be in the situation to sell it, were it not for that provision in the Act of the 24th Geo. III., c. 38, which requires them to keep a stock at least equal to one year's consumption always beforehand; coupled with that provision, is an authority to the Company to include in the upset price of the tea "lawful interest from the time of the arrival of such tea in Great Britain." The Company's practice under this enactment is, to charge an interest at the rate of five per cent. per annum for eighteen months, so that (combining the ordinary usage of the Company as respects interest being included in the invoice charges with the Parliamentary enactment) the upset price of the tea includes interest from the time of the first expenditure in making remittances to China, until eighteen months after the arrival of the tea in England, that period of eighteen months being stated to be the shortest average period that the tea can remain on hand; the Company's ships all arriving at a particular time of the year, and the Act, as construed by the Company, requiring that the minimum stock on hand should not at any period fall below a quantity equal to twelve months' consumption.*

The keeping the article for so long a time produces deterioration in the green teas, and that is also considered in America and in Holland to be

* See No. 4298 and 4300. Account, No. 2., p. 562. No. 4232. No. 4253. No. 4299. No. 4392, 4986. No. 4230, 4392, 4937 to 4939, 5099.

the case with black teas; but the evidence of the tea-brokers is, that if black teas are kept in warehouses, and not in cellars, as is said to have been sometimes the case, they improve by keeping, and becoming stronger, are better liked by the public.*

INSURANCE.

The Company are their own Under-writers, or, to speak more correctly, they do not insure at all; and being empowered by law to charge in the upset price of tea "the common premium of insurance, as a compensation for sea risk," they annually fix a rate stated to be in reference to the market rate. The rate now used by the Company is three per cent.; and it appears in the evidence, that that is not more than the rate usually paid for the property of the owner and officers embarked in a *Company's* ship; though the rate for a *private* ship going direct is lower.†

It was observed above, that the Company's ships are liable to circuitous voyages and deviations for political services, and this is considered to involve greater risk. The losses actually sustained by the Company at sea, since 1814-15, are stated by them not to have exceeded three-fourths per cent.‡

The tea that is put up to sale must by 24 Geo. III. c. 38, be sold to the best bidder, provided there

* See No. 1051, 1095. No. 1051, 1172, 3565*a*. No. 5432 et seq. 5521 et seq. No. 5526.

† See No. 5132. No. 4206, 4331. No. 2100, 2242, 2414, 3314, 3316, 3996, 3601*a*, 5129. No. 3312, 3982.

‡ See No. 5130.

be an advance of one penny per pound; and the Company offer to sell it, if the advance be no more than one farthing per pound. In cases where no advance is offered, the tea is put up at the next sale without any price being affixed to it, and sold for what it will fetch.*

It has generally happened that the sale price has considerably exceeded the price at which the Company offered to sell the tea, the difference being, of course, all profit to the Company, who have also a further profit from their insurance account, and from the employment of the capital used in the tea trade, at an interest of five per cent. per annum. Insurance and interest at that rate being, as already observed, comprised in the upset price. The profit, thus obtained, has of late very greatly declined; and it is stated not to have exceeded in the last year six per cent. on the capital employed, exclusive however of interest, and of the gain (as already explained) from the insurance account.†

Notwithtanding the diminution in the Company's profit, it has been stated, that the fall in the price of their tea, although very considerable, has not equalled the fall in the prices of other articles of trade. On the other hand it has been observed, that the rise in the price of tea, during the period of high prices, was not so great as in that of some other commodities, and that the trade in tea has by the Company's system been

* See No. 5059. No. 5014 and 5105.
† See No. 4366. No 5066. No. 5071, 5072. No. 5087.

kept more steady than other commercial undertakings.*

Several statements have been submitted in evidence, with a view of showing that the Company's exclusive right to supply tea entails a very heavy tax upon the public, amounting, in the view of one witness, to £1,500,000; of another, to £1,727,934; and of a third, to £2,588,499, of which latter sum, however, one-half is acknowledged to be duty paid to the state. But those statements have been objected to and controverted, upon the grounds that they have reference to a trade conducted differently from that which the Legislature has prescribed to the Company; that the calculations are in some respects arithmetically wrong; that they are all fallacious, inasmuch as they assume the rate of exchange in one year, and the prices paid to the Company in another; and that in some of them the prices of tea in China are stated lower than the tea could be purchased for, without risking deterioration of quality.†

It has at the same time been admitted, that the Company's profit from the trade is very considerable. From a statement which has been laid before your Committee, of the profit and loss of the China trade for the last fifteen years, it would appear that the Company's profit upon imports from China in that period, *including interest and insurance*, has aggregated £15,414,414; which if

* See No. 4294 to 4297. No. 5107.

† See No 3427*a*, 3120*a*, 3454*a*, 3968*a*, 3989*a*, 4086, 4294. No. 3461, 3164. No. 4359. No. 4360. No. 4359.

the mercantile instead of the Board's rates of exchange had been observed, would have been increased to £16,971,316. This is inclusive of the profit and the loss upon exports from England, and from India to China, the results of these transactions, according to the Company's mode of computation, as before explained, being accounted for in the prime cost at which the imports from China are valued.*

It is said that these profits have afforded to the Company the means not only to pay the dividend upon the East-India stock, and the interest of the bond debt (the latter of which however, it is contended, should not be charged on the commerce of the Company), but also of materially aiding the finances of the Indian territory, which are said to be in such a situation as to render that assistance necessary.†

Contrary to this view of the case, one witness has submitted statements for the purpose of proving, that the profits of the tea trade to the Company are not sufficient to meet the charges of the dividend on East-India stock, and of the interest on the bond debt; and that the deficiency, which he supposes to exist, is supplied by territorial revenue, notwithstanding that it appears by the accounts laid before Parliament, that that revenue has upon the whole, since 1814-15, fallen far short of the territorial charges.‡

* See No. 4900, 4903, 5086. *Vide* Profit and Loss of the China Trade, ordered to be printed 17th June 1830. No. 5875.

† See No. 4359. No. 4376. No. 4899 to 4903.

‡ See No. 3435*a*, 3764*e* et seq. 5370. No. 3770*a*, 5263 et seq. 5278, 303, 5307. Papers relating to the Finances of India, February 1830, p. 15.

The ground of this witness's computation is, that the Company have no commercial capital, although it has been stated that the commercial assets are calculated to amount to £21,731,869, the particulars of which are given in one of the accounts. The same witness has said, that interest should be charged as an actual outgoing (and not as a profit) in a statement of the results of the tea trade to the Company; and he has also said, that the whole of the insurance should be included in the charges upon the trade; and that a much larger allowance should be made for wastage than that of two per cent. which the Company deduct on that account.*

The whole of the calculations of this witness has been controverted upon the ground that if the interest and insurance be charged, they must appear again on the credit side of an account professing to shew the amount of the funds applicable to the dividend, and to the interest upon the bond debt, the Legislature having (53d Geo. III. c. 155, s. 57) declared that *all the profits and other receipts* of the Company in England shall be appropriated to those and other specified purposes. Should the interest upon the capital, and the profit of the insurance account be charged and not re-credited, it is affirmed that *all the receipts* would not be appropriated as the above quoted Act directs, and that the Company would be left in possession of those amounts. An official document has also been

* See No. 5262, 5337. No. 4914. Papers relating to the Finances of India, February 1830, pp. 61 and 62. No. 5337. No. 5262, 5269. No. 4375, 5333 and 5334.

produced, to show that the Company's expenditure for allowance and wastage does not exceed two per cent.*

As this part of the subject will fall within the scope of the inquiry which your Committee are now making into the Company's finances, they think it unnecessary further to enlarge upon it in this place; contenting themselves with referring the House to the evidence which has been given in elucidation of the discordant statements; and from which it will be seen, that the opinion of the Company's trade deriving aid from the territorial revenue is at variance with that expressed by the Select Committee on Foreign Trade, in 1821, towards the close of their third Report.†

It has been stated that the price of tea to the consumer in Great Britain is higher than that at which it is sold on the continent of Europe and in America, after deducting the duty; and although a mere comparison of prices quoted for the several denominations of tea affords no just criterion, there being various kinds classed under the same denomination, yet examples have been adduced to shew that where the quality has been equal, the prices have been higher in England than elsewhere. This is further proved, as respects several of the sorts of tea (though not all), by the prices affixed by the London tea-brokers to teas purchased on the Continent and in America, by order

* See No. 4375, 4913. No. 4202.

† See No. 3421a et seq. 3764a et seq. 4375 et seq. 4907 et seq. 5178 et seq. 5263 et seq. 5367 et seq. No. 5275, 5358.

of the India Board, for the express purpose of making such comparison.*

It would indeed seem that the prices paid to the Company for their teas must be higher than those at which tea is sold in other countries; the Company relying, as it appears, upon the profits of the tea trade, to enable them to fulfil the obligations which Parliament has imposed upon them in their twofold political and commercial character; while foreigners, on the contrary, have no such obligations.†

The revenue to the Crown from tea is produced by an *ad valorem* duty. There are numerous prices of the different kinds of tea, which are ascertained at the Company's sales, so that the duty chargeable in each case is determined without difficulty.‡

The average amount of this revenue is stated to be about £3,300,000 annually. It is most economically collected by the Company, who pay it over quarterly, a fortnight after they receive it; and the whole of the charge incurred by the Crown for an establishment to check and superintend this branch of the Excise in London, is stated to amount to less than £10,000 annually, exclusive of the establishment for superintending the dealers' stocks.||

* See No. 4294*a*. No. 1254, 3279, 3409. No. 1811. No. 1674 and 1675. 3540*a*.

† See No. 5135. No. 3252, 3568*a*.

‡ See No. 5618. No. 5614 and 5616. No. 5618.

|| See No. 5603. No. 5591. No. 5596. No. 5604.

TRADE OF THE AMERICANS AND OF OTHER FOREIGNERS WITH CHINA.

The Russians are said to be excluded from Canton in consequence of the privilege they enjoy of trading with China overland. Of the other European nations, those which have been mentioned as continuing to resort to Canton, are the French, the Dutch, the Swedes and Danes, and the Austrians; but the trade of all these is comparatively trifling. The most important of them is the Dutch trade, which used to be conducted by a Company with exclusive privileges, but is now thrown open.*

There is, however, a Netherlands' Association, of modern formation, by which the Dutch China Trade is principally conducted, and which appears to have been established with the hope of promoting the sale in China of Belgian manufactures. In that object the Netherlands' Association failed; and its returns in tea have caused a loss, it is said, of twenty-five per cent. on the capital employed. This Association is restricted from exporting British manufactures to China. Although the Dutch trade (as before observed) is principally carried on through the Netherlands' Association, no such restriction as to British manufactures is imposed upon Dutch private traders, who, however, in consequence of heavy losses occasioned by competition with the Americans, are stated to

* S.E. No. 263. No. 259. 261, 262, 264. No. 265, 516, 2520.

have in a great measure abandoned the trade since 1825.*

This trade of the Dutch has been carried on in ships of from 400 to 500 tons, and is conducted by resident agents in China, where there are two supercargoes and a consul. It does not appear that of late years the Dutch have experienced any difficulties in the transaction of business at Canton.†

The Americans used to conduct an extensive carrying trade from China to Holland and other parts; but this has considerably fallen off, owing to the Dutch and other nations importing direct for their own use. It has been stated, however, that the Americans can still compete with the Dutch in their own market.‡

The aggregate of the American trade with China has increased since 1814; but latterly there has been a falling-off. Their exports consist principally of dollars, which, even since they began to take British manufactures to Canton, have formed two-thirds of the total exported. The imports into America from China are chiefly teas and manufactured silks. The latter article is said to yield the best return, though that has not always been the case.||

* See No. 521, 3577*a*. No. 663, 3573*a*. No. 3608*a*. No. 3564 and 3565*a*. No. 3570*a* No. 1669 and 1670, 3627*a*. No. 3629*a*. No. 3621*a* et seq.

† See No 3597*a*. No. 255. No. 268, 523.

‡ See No. 325 et seq. No. 197, 325, 419, 941, 1668, 1745 and 1746, 1820 to 1823. No. 1667. No. 198, 330, 906, 956 and 957, 1623, 3251 et seq.

|| See No 328 and 329. No. 197. No. 539, 994, 1025, 1109, 1443, 1558, 3647. Return of Foreign Trade with China, ordered by the Lords to be printed, 11th May 1830. No 921, 1027, 1468. No. 1191, 3235.

Their tea trade was formerly very profitable; but, in consequence of overtrading, encouraged by a system adopted in the United States of giving to the importers of tea a year's credit for the duties, it subsequently became a losing one. The American trade with China seems also to have suffered from the establishment (by authority of the Act of the 5 Geo. IV. cap. 88) of the trade of the Company from China to Canada, which settlement was previously supplied in a great measure with tea smuggled from the United States.*

That part of the American trade which relates to India and China is stated not to labour under greater depression than any other trade of the United States; and opinions have been expressed that if conducted upon correct principles, and brought within proper limits, the American trade with China might still be profitable.†

The Americans are said to navigate their ships at a less expense, not only than the Company, but than British merchants in general. Some of the American vessels are chartered by various persons in shares, each of whom may and often does send a supercargo; but this is not done in all cases. Instances have been mentioned of the transactions of a voyage having been wholly, and without difficulty, managed in China by the commander of the ship; but the more frequent practice is to employ a resident agent, it being thought that the business

* See No. 1685, 1689, 1747, 3202, 3229, 3411, 3413 et seq. No. 330, 394, 905, 1054, 1078, 1646, 3252 et seq. No. 541, 907, 1056. No. 906. 915, 1086. No. 1746, 1754 and 1755.

† See No 1083, 1749 and 1750. No. 1180 and 1181. No 1153, 1748

is better arranged with the Chinese by persons of established confidence than by strangers.*

The American consul, at Canton, acts as agent for those who choose to employ him; and there are several American merchants who reside in China.†

The Americans are well treated in China. Their trade is said to be popular there, in consequence of the large importation of dollars; and it has been interrupted only once since 1814. The cause of the interruption was an accidental homicide of a Chinese by an Italian seaman of an American ship. He was given up to the local authorities; by their order he was put to death, and then the trade was resumed.‡

EFFECTS EXPECTED FROM THE ABOLITION OF THE COMPANY'S EXCLUSIVE PRIVILEGE.

THE opening of the trade between Great Britain and China would not, it is thought, cause any alteration in the policy of the Chinese government towards foreigners, unless the revenue should fall off from an increase of smuggling by free traders, or unless there should be from private disputes more frequent collisions between Europeans and Chinese. In either of these contingencies, apprehensions are entertained that the trade might be

* See No. 3330. No. 1031, 1037, 1759. No. 1564, 1910. No. 964 and 965.

† See No. 450, 1734.

‡ See No. 1123, 1692 and 1693, 1653. No. 202, 552, 556, 936, 1728 et seq., 1847

entirely interdicted. But, on the other hand, it is said that such a fatal result would be averted, either by the sense which the Chinese government entertains of the value of the trade, or by the influence of the population of Canton, and of the tea districts, which are deeply interested in its continuance. If the trade were interdicted, tea, it is thought, might be brought to Sincapore, and other places accessible to the British traders, in Chinese junks; but such a commerce is stated to be contrary at present to the laws of China, and much doubt is felt whether, by the means of such insecure vessels as the junks are represented to be, tea could be obtained in sufficient quantities for the English market.*

It is said that the interest of the Hong merchants, in a pecuniary point of view, would be promoted by an open trade, as an increase in the number of purchasers of tea would afford an opportunity for commanding high prices. In spite, however, of such expected advantage, the Hong merchants, from an apprehension of increased risk and responsibility, are represented to be against any change. On the other hand, it is stated that the Americans and other foreigners, dealing freely as private traders, have not experienced any combination against them on the part of the Hong merchants.†

In order to derive advantage from a free trade

* See No. 2206 and 2207. No. 383, 2638. No. 178, 295, 338, 383, 401, 829, 811 et seq., 2449, 2601, 2638. No. 3499*a* No. 1886 et seq. 2707, 3526. No. 332, 353, 355, 874, 883, 3052.

† See No. 123, 559. No. 1153 et seq. 1875, 2684 and 2685, 3346.

between Great Britain and China, it would be necessary, as some think, that the monopoly of the Hong merchants should cease, and that a commercial treaty, upon mutually liberal principles, should be formed between the two countries. It is, however, apprehended that the Chinese would not be induced to enter into such a treaty by any other than coercive means, and these, it is fancied, might be easily and successfully used.

Many of the witnesses are strongly impressed with the belief that a very large increase in the consumption* of British manufactures would be the consequence of opening the trade. Private merchants, they say, can push a commerce much better than a company; and new wants and desires would be created by the never-ceasing efforts of individual enterprise and speculation. These witnesses refer, not only to the fact of the Americans having of late made exports of British manufactures to China; but they also refer to the result of opening the trade with India, followed as that measure unquestionably was by an immense increase in the exports from this country.†

In opposition to these views, it is said that the small proportion of the American exports of British manufactures, relatively with bullion, coupled with the fact that the officers of the Company's ships, having no freight to pay, have not increased their exports, ought to be considered as proof that the consumption has not, as yet, been found sus-

* See No. 839, 3043, 3065, 3072, 3498a. No. 3065 et seq. 3498a.

† See No. 2116, 2180, 2183, 2184, 2686, 2852, 2922, 3368, 3395, 3419, 3641, 3810a, 3817, 3932a. No. 3095, 3494a.

ceptible of any material augmentation It is further stated that a formidable obstacle to the growth of a profitable export trade from Great Britain to China arises from the obligation under which India is placed of annually effecting a large remittance to England, and which remittance is now advantageously made by the Company through the medium of Chinese produce. It is likewise observed that the extended use of British manufactures in India has been promoted by fiscal regulations, which the British government had the power there to make, but which it could not effect in China.*

With respect to the price of tea, it is thought that the first effect of an increased demand in China, consequent upon the opening of the trade, would be materially to raise the price there; though indeed this effect (unless the Hong should be enabled to dictate prices) might be expected gradually to subside.†

It is said that the charges of bringing the tea to England and selling it would be much less in a free trade than they are at present, and therefore that tea would be afforded to the consumer at a lower rate. In answer to this it is remarked that most of the Company's charges are controlled by law; that these might be reduced if the law were altered; and that what the Company get in shape of profit is necessary, with the obligations imposed

* See No. 387, 507, 510, 539, 629, 632, 622, 1442, 1451, 2189, 2307, 2469, 3685. No. 4338, 4892 et seq. No. 644, 5093. No. 644, 1498, 3570.

† See No. 1141, 2489, 2798, 3015, 3169a.

upon them, to enable them to administer the government of India. According to this view, whatever the consumer of tea might gain by a reduction of the rate of profits to the importer, would either be at a sacrifice to India, not now in a situation to bear it, or must be made up by the people of England; besides which, it has been observed that the ability of the private traders to furnish tea cheaper than the Company would depend upon the effect which an open trade might have upon prices at Canton.*

One great advantage expected to result from an open trade with China, is the facility which it would give to private merchants to effect returns from India, in which great difficulty is now experienced. It is said that the Company partake largely of this inconvenience, and that owing to the pressure of the demand for the government remittances, it has become necessary to make the China trade a principal channel of effecting them. Deprived of this channel, India would be obliged to remit through the private trade, by which (should remittances to so large an amount be practicable) a loss would be sustained equal to the difference between the rupee valued at the Board's rates, and at the current exchange.†

If the trade were opened, the Company would still possess the power of trading with China; and it is thought by some that their capital and in-

* See No. 2095, 2141. No. 2167, 3584. No. 4311, 4334, 4372, 4373, 4939, 5099. No. 5135. No. 4338, 4898 et seq. No. 4905 and 4906.

† See No. 3488a, 3505a, 3879a and 3880a, 3932a. No. 4338, 4347, 4897, 5089 et seq.

fluence might enable them to trade more successfully than private merchants. But it is said that this competition might be mutually injurious, without the country's being benefited by an extension of her commerce; and that the Company's profits, if they had competitors, would be so reduced as to prevent them from ministering to the financial aid of the Indian territory.*

YOUR Committee have thus endeavoured to give a fair and impartial summary of the evidence on the China trade which has been brought before them.

Whether this object shall have been faithfully and satisfactorily effected, will appear to the House by a careful perusal and examination of the whole evidence itself; but it will not fail to be borne in mind, that in the midst of such multifarious and conflicting statements as that evidence contains, and restrained as your Committee have been (both by what was expressed in the House, and by their own sense of what, at the present period, would be either prudent or just) to a plain unbiassed narrative of their proceedings, it has not been in the power of your Committee to offer such observations, and to enter upon such discrimination of the evidence, as might be a guide to the House in the decisions hereafter to be made. Your Committee have, on the contrary, done their utmost to guard against the appearance of a leaning on the one side or on the other.

* See No. 4904.

Their observations, your Committee have felt, ought not, by any inference of their own, to convey opinions which may have been taken up; but, in the execution of the important duty committed to their charge, while from necessity some valuable information may be left unnoticed, they have studiously endeavoured, by classification and arrangement, to bring the most material parts of the Evidence into view, and thus to facilitate to the House the means of acquiring for itself an accurate knowledge of its real tendency and result.

8th July 1830.

SCHEDULE of the ACTS, PAPERS, and ACCOUNTS, referred to in the preceding REPORT.

ACTS—24 Geo. III. c. 38, usually called the *Commutation Act.*
53 Geo. III. c. 155.
54 Geo. III. c. 34.
59 Geo. III. c. 33.
5 Geo. IV. c. 88.

MINUTES of EVIDENCE taken before the Select Committee, from the 15th of February to the 3d of June 1830—No. 514.

PAPERS relative to the TRADE with *India* and *China;* Ordered to be printed the 4th of June 1829—No. 285.

PAPERS relating to the FINANCES of *India*, and the Trade of *India* and *China;* Presented by His Majesty's command, February 1830—No. 22.

REPORT of the SELECT COMMITTEE of the HOUSE of LORDS, relative to the Trade with the *East-Indies* and *China;* Ordered to be printed 7th of May 1821—No. 476.

THIRD REPORT of the SELECT COMMITTEE of the HOUSE of COMMONS on FOREIGN TRADE; Ordered to be printed 10th of July 1821—No. 746.

ACCOUNT of the PROFIT and LOSS of the COMPANY'S TEA TRADE with *China*, for the year 1828-29.

RETURN of the FOREIGN TRADE with *China;* Ordered, by THE LORDS to be printed 11th of May 1830; and

STATEMENT of all the COMMERCIAL RECEIPTS and CHARGES of the COMPANY since 1814-15; delivered to the Committee on the 17th June 1830.